Momentum Group
Annual and Sustainability Report

momentum group

2023

Together for a sustainable industry

The challenges for the industry when it comes to sustainability are multifaceted and require carefully considered solutions. From reducing carbon emissions and optimising the use of resources to ensuring responsible supply chains and promoting technological innovation – each step toward sustainability a requires strategy, investments and collaboration.

A sustainable industry produces goods and offers services without destroying the livelihood and development opportunities of future generations. A well-functioning and sustainable industry generates several positive social and environmental effects and supports economic growth and development. Increased resource efficiency, safer and healthier work environments, and cleaner and more environmentally friendly technologies and industrial processes are all important industry adaptations when it comes to facilitating sustainable development.

At Momentum Group, we help our customers in the Nordic region to meet their sustainability targets by reducing their environmental impact, meeting customer demands, ensuring regulatory compliance, improving their work environment and enabling cost savings. These "industrial improvements" – as we refer to them – are confirmation of the value we generate for our customers. In this Annual Report, we present some examples of the industrial improvements that we made in 2023.

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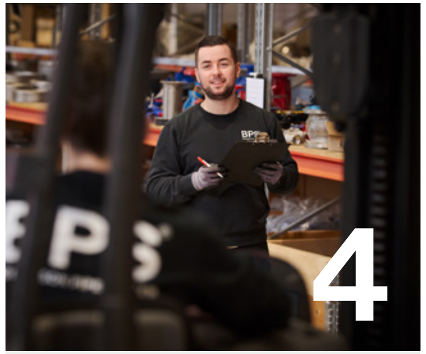
About the Annual and Sustainability Report

The statutory annual accounts are presented on pages 74–113. The statutory sustainability report is presented on pages 57–73. In addition, voluntary sustainability information is integrated into the report. The Corporate Governance Report is presented on pages 46–51. The report is prepared in Swedish and translated by the Bugli Company into English. Should differences occur between the Swedish report and the English translation, the Swedish version shall prevail.

This is an interactive and clickable PDF

Navigating between the various sections is easy using the navigation menu found on the right of the page.

The Annual and Sustainability Report has been prepared by Momentum Group in cooperation with Ashpool.

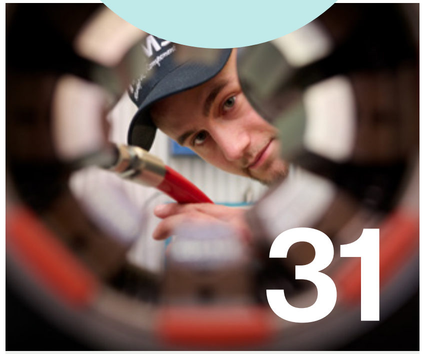


Introduction

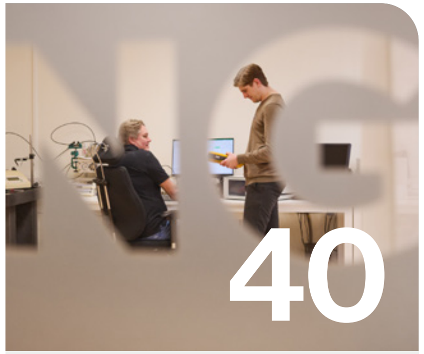
Market and drivers

Business model, objectives and strategies

Focus areas



Business areas



2023 Annual Report

We develop and acquire successful, sustainable companies in the Nordic region

Momentum Group is a leading listed group that offers sustainable products, services and solutions for customers in industry and industrial infrastructure in the Nordic region. Momentum Group is an active owner that focuses on developing and acquiring companies in the product and service categories where we possess knowledge, expertise and experience.

Momentum Group traces its origins to Bergman & Beving, which has built a number of successful operations over a period of more than 100 years. Momentum Group is a financially strong, well-established and committed owner with clear objectives and tools for promoting sustainable development and profitability in our companies. We develop our companies through active ownership with decentralised profit and business responsibility.

Revenue (MSEK)[1]	EBITA (MSEK)[1]	Profitability EBITA/WC[1]	Employees[2]
2,298	265	59%	749

[1] R12 until 31 December 2023.
[2] 31 December 2023

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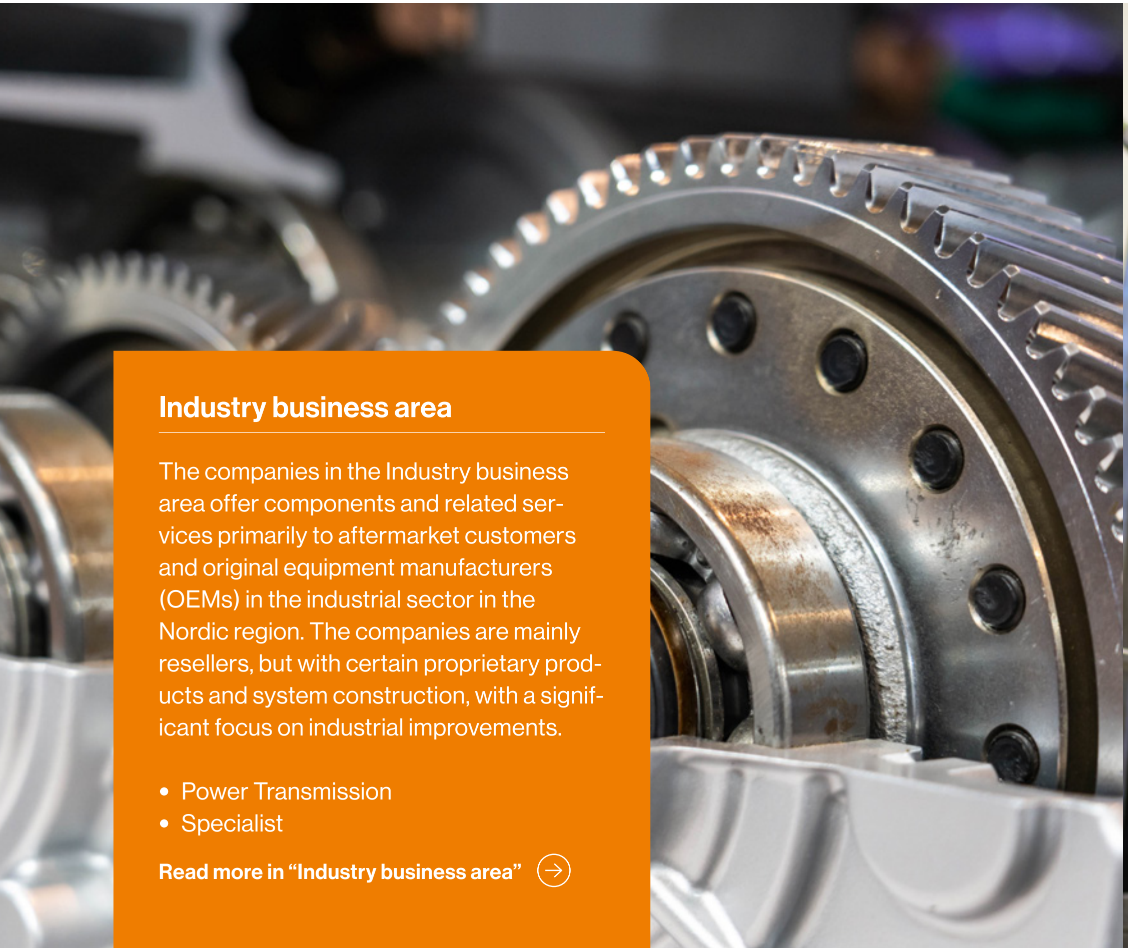
New Group structure for increased value creation

Momentum Group has introduced a new Group structure to promote long-term growth, profitability and development. This change strengthens the possibilities for both organic and acquired growth in each business area through better use of the breadth and competence built up within the Group since its listing as an independent company in March 2022.

Momentum Group

- **Industry business area**
  - Power Transmission
  - Specialist
- **Infrastructure business area**
  - Flow Technology
  - Technical Solutions

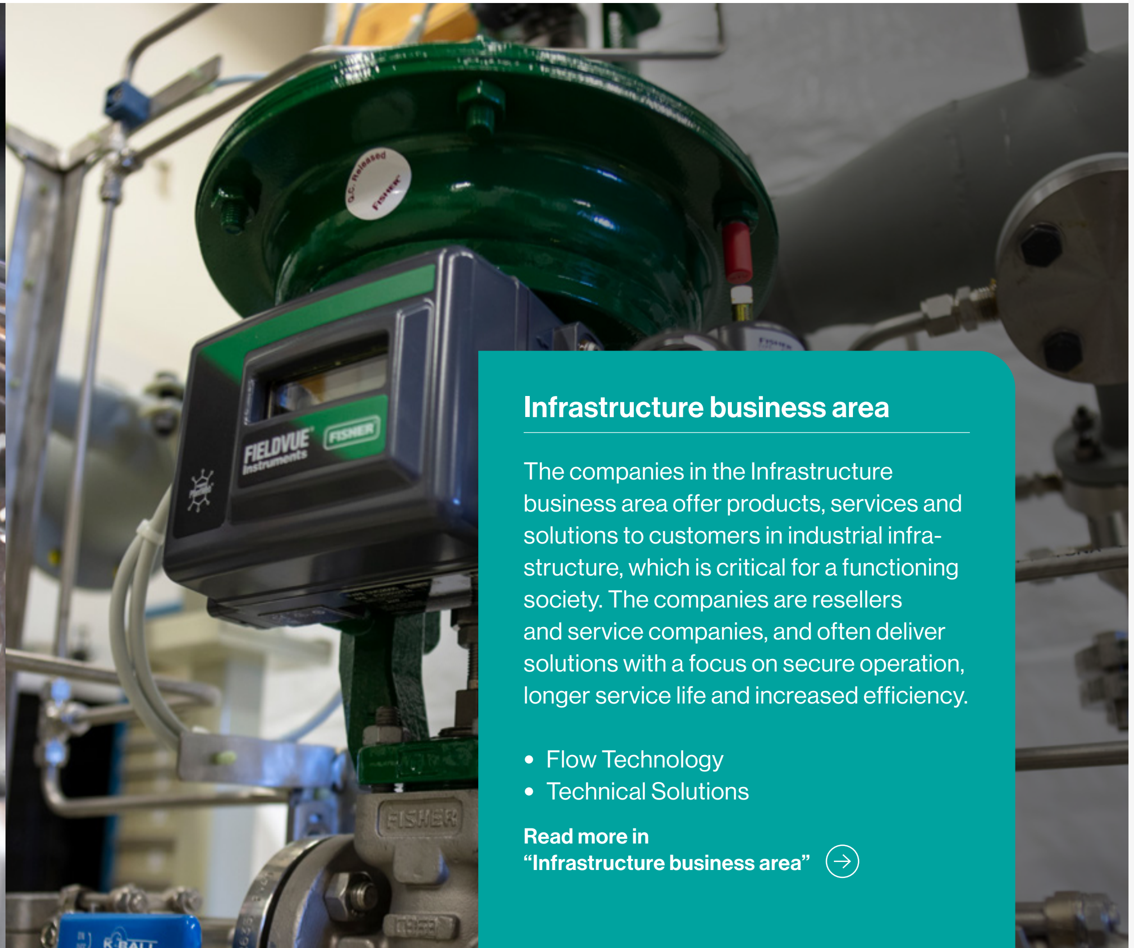


Industry business area

The companies in the Industry business area offer components and related services primarily to aftermarket customers and original equipment manufacturers (OEMs) in the industrial sector in the Nordic region. The companies are mainly resellers, but with certain proprietary products and system construction, with a significant focus on industrial improvements.

- Power Transmission
- Specialist

Read more in "Industry business area"



Infrastructure business area

The companies in the Infrastructure business area offer products, services and solutions to customers in industrial infrastructure, which is critical for a functioning society. The companies are resellers and service companies, and often deliver solutions with a focus on secure operation, longer service life and increased efficiency.

- Flow Technology
- Technical Solutions

Read more in "Infrastructure business area"

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Six reasons to own shares in Momentum Group:

1

Established growth strategy

Established growth strategy focused on acquiring attractive, profitable companies.

2

Decentralised business model

Combines a decentralised business model with effective corporate governance and active ownership as well as proven management. Rapid and flexible decision-making, with decisions made close to customers and suppliers.

3

Sustainable investment

Sustainability characterises the entire business and creates conditions for long-term profitability and growth since it also creates business opportunities.

4

Clear focus on performance

A clear focus on performance facilitates self-financed, long-term growth and favourable returns for shareholders.

5

Proven ability to develop operations

Long-standing history of successful acquisitions with proven acquisition and onboarding models.

6

Strong financial position

Strong cash flow from operating activities based on a solid financial position.

Our corporate governance

- Organic growth by constantly developing our companies – "Better than yesterday."
- Cash flow generated by healthy profitability (EBITA/WC >45%) to finance our expansion and development.
- Focus on margins and capital turnover rate to ensure an EBITA/WC of >45%.
- A minimum of three to five acquisitions per year.
- Proprietary and loan-financed growth with reasonable ratio of net debt to EBITDA.
- Capital allocation through our internal focus model and share repurchasing.
- Increase earnings per share and generate a healthy return for our shareholders

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The year in brief

2023 was a transformative year for the Group. Despite the economic turbulence that impacted the market in 2023, our operations remained stable with satisfactory demand during the year. We exceeded all of our financial targets with earnings growth (EBITA) of 30 per cent and profitability (EBITA/WC) of 59 per cent. During the year, we completed 11 acquisitions at the same time as we built up our business development organisation, which created the conditions for the new structure that we launched at the end of 2023.

MSEK	2023	2022	Change
Revenue	2,298	1,739	32%
Operating profit	237	185	28%
of which, items affecting comparability	–	*–6*	
of which, amortisation of intangible assets in connection with corporate acquisitions	*–28*	*–13*	
EBITA	265	204	30%
Net profit	173	140	24%
Earnings per share, before/after dilution, SEK	3.45	2.70	28%
Operating margin, %	10.3	10.6	
EBITA margin, %	11.5	11.7	
Return on working capital (EBITA/WC), %	59	61	
Equity/assets ratio, %	33	42	

11 **acquisitions** that added approximately **610** **MSEK** in annual revenue

Financial targets

EBITA growth

Target: >15%
Outcome 2023: 30%

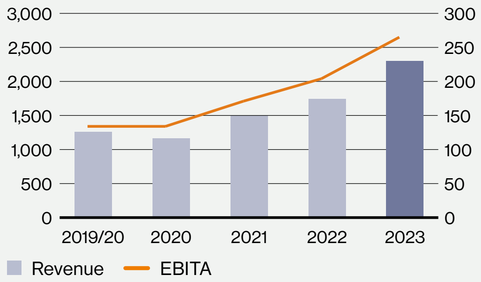
Profitability, EBITA/WC

Target: >45%
Outcome 2023: 59%

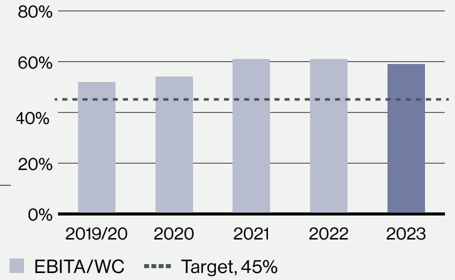
Dividend

Target: >30%
Outcome 2023:[1] 32%

Revenue and profit, MSEK[2]



Profitability (EBITA/WC)[2]



[1] Board proposal
[2] Rolling 12 months

Sustainability goals

Sustainable workplaces

Target: All employees are to have annual performance reviews.
Outcome 2023: 83%
(2022: 77%)

Sustainable industry

Target: Increase the proportion of purchases from CoC-classed suppliers.
Outcome 2023: 72%
(2022: 71%)

Target: Increase the number of proven industrial improvements.
Outcome 2023: 555
(new target)

Minimise climate impact

Target: Reduce carbon emissions from company cars (grCO_2 per km).
Outcome 2023: –1%
(2022: –7%)

Target: Increase the proportion of fossil-free/climate-neutral electricity.
Outcome 2023: 93%
(2022: 75%)

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A successful year with strong organic and acquired growth

2023 was a transformative year for the Group. Despite the economic turbulence that impacted the market in 2023, our operations remained stable with satisfactory demand during the year. We exceeded all of our financial targets with earnings growth (EBITA) of 30 per cent and profitability (EBITA/WC) of 59 per cent. During the year, we completed 11 acquisitions at the same time as we built up our business development organisation, which created the conditions for the new structure that we launched at the end of 2023.

Strong resilience

Our operations delivered favourable sales growth, with organic growth of 7 per cent in 2023. Although we noted some caution among certain customers and a lower level of activity in some customer segments toward the end of the year, Nordic industry, our primary customer base, displayed impressive resilience.

Our companies continued to cooperate actively with their customers to find ways to make their businesses more profitable and sustainable. Together with our suppliers, we devoted time and energy to ensuring good delivery capacity in light of the component shortage and delivery disruptions that impacted parts of the year.

The Group's decentralised structure, with decisions made close to customers and suppliers, enables us to act quickly based on customer needs and behaviour and to find solutions together with our suppliers. I am therefore particularly proud that our operations continued to perform so well and displayed an ability to adapt to current market conditions.

All financial targets exceeded

We have now completed our second year as an independent listed company and can proudly announce that we exceeded all of our financial targets for 2023. EBITA growth was 30 per cent, compared with our target of at least 15 per cent per year, and EBITA amounted to SEK 265 million. Together with favourable acquisitions, we achieved this growth as a result of structured work carried out in the Group's companies in order to boost sales combined with stable or improved gross margins and good cost control.

Our profitability, measured as a return on working capital (EBITA/WC), reached 59 per cent and also exceeded our target of at least 45 per cent. We call this our "super-efficiency target" and it is a good measure of the cash flow that our operations are able to generate. We posted strong cash flow, with operational cash flow of SEK 260 million for 2023, which is at a level that will enable us to continue to self-finance acquisitions, investments and the development of existing operations as well as provide dividends to our shareholders. For 2023,

> "We have now completed our second year as an independent listed company and can proudly announce that we exceeded all of our financial targets for 2023.
>
> **Ulf Lilius**
> President & CEO

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a dividend has been proposed of SEK 1.10 per share, which corresponds to a pay-out ratio of 32 per cent, exceeding our target of at least 30 per cent.

Favourable conditions for continued growth

As a company that conducts acquisitions without an exit horizon, we grow by continuously acquiring profitable and well-managed companies. Companies that we take good care of, with clear ambitions for earnings growth and activities to achieve these goals.

In total, we carried out 11 acquisitions during the year, with combined annual revenue of nearly SEK 610 million. These acquisitions strengthen our position as a specialist company and made a clear, positive contribution to our EBITA.

Over the past year, we have built up an organisation and structural capital for acquisitions. Along with a strong balance sheet and cash flow from operating activities, this provides us with favourable conditions for maintaining favourable earnings growth and a high pace of acquisitions in 2024.

New Group structure that supports growth

As a step in our continued growth – both through acquisitions and to support our operations – we launched a new organisation at the end of the year with additional focus on our skills and on establishing even better conditions for collaboration and best practice within our Group.

During the year, our Group was strengthened through the addition of a number of new employees – both in existing companies and through acquisitions – who bring new perspectives and knowledge that the entire Group can benefit from. We also continued our work on internal improvements and knowledge-building. During the year, we rolled out information and built up knowledge about industrial improvements in the Group's companies. On our intranet, we established a platform for knowledge sharing between the companies, which we call Sharing & Caring, and we are continuing to expand our business school by adding several modules.

Summarising the year and looking forward with confidence

We would like to thank our dedicated employees for their many outstanding contributions during the year – and our customers and business partners for their continued confidence. By focusing on development and successfully acquiring businesses in our core areas, we have not only strengthened our market position but also introduced new talent and skills to our team.

We are an active owner with a clear vision, and we have the desire to challenge ourselves to reach new limits. We believe in the power of collaboration and innovation within the framework of our decentralised corporate responsibility, and I am convinced that our impressive journey will continue in 2024.

In conclusion, we are continuing along our established path, with earnings growth in our existing businesses together with acquisitions of successful niche companies continuing to make us "better than yesterday."

Stockholm, March 2024

Ulf Lilius
President & CEO

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A year passes quickly, and we continued our growth journey by focusing on developing and acquiring companies within our core areas. During the past year, we successfully completed 11 acquisitions, which not only strengthened our position in the market, but also enriched our team through the addition of new talents and expertise. Nobody can do everything, but everyone can do something – and together we can achieve a lot! We believe that this a good summary of the past financial year for us at Momentum Group.

Ulf Lilius and Niklas Enmark
CEO and CFO

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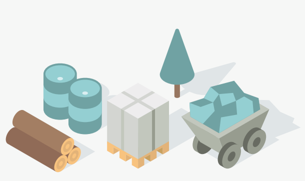
Market and drivers

Five strong market trends

Momentum Group is active in the Nordic market for industrial components, industrial service and related services. Demand for Momentum Group's offerings is driven primarily by growth in our customers' markets. A higher industrial output leads to a greater need for products for repairs and maintenance, service and related activities. Market trends such as increased local production, intensified cooperation with suppliers, higher demand for local presence and availability from end customers as well as an increased focus on sustainability benefit our business.

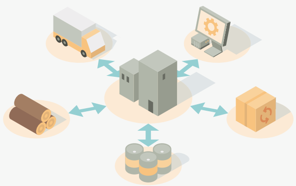


Industrial production in our home markets

A higher industrial output leads to a greater need for products for repairs and maintenance, service and related activities.

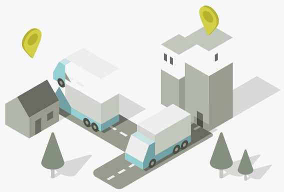
Sustainability and the circular economy

An increased focus on sustainability is creating higher demand for sustainable solutions that are proven to lead to more efficient energy use, a safer and healthier work environment, and cleaner and more environmentally friendly production.



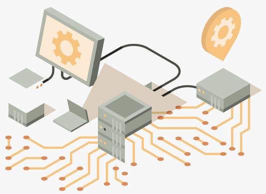
Intensified partnerships with manufacturers

Close cooperation with reliable resellers is becoming increasingly strategically important for manufacturers, which benefits players who understand end customers' needs, production and logistics processes.



Availability and local presence for customers

Effective logistics, with high availability of products, services and expertise as well as fast and reliable delivery, are becoming increasingly decisive for customer satisfaction.



Automation and digitalisation

Greater automation of the industrial sector is resulting in increased demand for digitalisation as a way for machinery to communicate and also for monitoring production processes and for optimisation.

Read more on the next page

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Industrial production in our home markets

Demand for our products and services is primarily related to the success of industrial production in the Nordic region since a higher industrial output leads to a greater need for products for repairs, maintenance, service and related activities. For the past eight years, industrial production in Sweden has increased by an average of about 2.7 per cent annually in real terms, compared with 6.5 per cent in Denmark, which was mainly driven by a strong performance in the Danish pharmaceutical sector[1].

The high level of efficiency within the Nordic manufacturing industry – where Sweden is at the forefront of the automotive, forest products and paper industries and Finland holds a strong position in the forest products and paper industries and the production of industrial machinery – provides a robust basis for continued growth. Denmark, which is an important exporter in the pharmaceutical industry, and Norway's prominent role in the oil industry, also contribute to the Nordic region's strength.[2] [3]

With the high level of expertise and increased automation of the Nordic labour force, along with a focus on digitalisation and automation, the region is well positioned for continued growth. The market is feeling the short-term effects of the prevailing global unrest, but a growing focus on environmental, social and governance (ESG) practices and increased regulation are having a positive impact on industrial production in the Nordic region. In the longer term, the Nordic market is expected to continue to display strong demand for our products and services.[4] [5]

Sustainability and the circular economy

Sustainability issues have become increasingly important in the customers' choice of resellers now that countries have introduced regulations and targets that have contributed to increased environmental awareness. As a result, a growing share of the general public is actively trying to reduce its climate impact. There are increasing expectations and requirements from external stakeholders that our companies in the industrial sector will act to make their operating processes more sustainable.

Now that sustainability-related issues have become increasingly important, customers are becoming involved in their suppliers' sustainability work to ensure a high sustainability standard throughout the value chain. Accordingly, there is a great need and increasing demand for sustainable solutions among market players. Momentum Group's geographic markets have made considerable progress in their sustainability work from the viewpoint of the UN Sustainable Development Goals (SDGs), which means that the Nordic operations are subject to rigorous demands when it comes to sustainable action and pursuing sustainability-related issues.

Intensified partnerships with manufacturers

Manufacturers see a number of benefits from intensifying their cooperation with reliable and skills-oriented resellers. A partnership strategy makes it possible for brand owners to focus on their core competencies in design, product development and brand management, while trusting that their partner will contribute local market awareness and manage parts of the sales process, logistics and aftermarket. Accordingly, in-depth partnerships are becoming a significant component for manufacturers, since they provide greater knowledge of the end customer's needs, behaviour and competitive landscape, which is valuable for the future development of products and offerings. This benefits resellers who have good insight into end customers' needs and understand production and logistics processes.[6]

Availability and local presence for customers

Good availability of products, services and expertise, combined with an efficient logistics network that offers fast delivery and a high level of delivery reliability, is one of the fundamental factors contributing to customer satisfaction and thus the customer's choice of reseller. A high level of delivery precision, with the right product being delivered to the right place at the right time, reduces disruptions to customers' production processes. These processes are often business-critical and disruptions could lead to major additional costs for the customer. Customers are also increasingly demanding customised, innovative products and just-in-time deliveries in a close dialogue with the supplier,[7] which means that the importance of a local presence has increased in modern society.[8] Local presence not only means proximity in the form of local sales outlets and sales organisations, but also local customer cultivation, service, repairs and maintenance, and an efficient logistics network with fast delivery.

Automation and digitalisation

Automation means that an increasing share of production is conducted by machinery, which enables new and more effective business models, more efficient processes and increased profitability. Swedish industrial companies have historically been at the forefront in both the Nordic region and Europe. Traditional industrial companies have understood the importance of investing in and utilising automated processes. Demands on efficiency and reduced resource requirements, for example, in the form of energy have become important for the companies' potential for profitability.

In turn, greater automation of the industrial sector has increased demand for digitalisation as a way for machinery to communicate and also for monitoring and optimisation of production processes. Technological development will likely continue at a high pace, with automation and digitalisation playing a decisive role in profitability growth and competitiveness in the Nordic industrial sector moving forward.[9]

[1] EUROSTAT through Macrobond.
[2] McKinsey & Company – The ascent of Nordic companies in the global machinery market.
[3] Nordic Council of Ministers – Services and goods exports from the Nordics.
[4] Nordic Council of Ministers – Nordic countries in global value chains.
[5] The Nordic region – Digitalisation and automation in the Nordic manufacturing sector.
[6] E2Open – Outsourcing Manufacturing: A 20/20 view.
[7] Business Sweden – Changed playing field for industry.
[8] E2Open – Outsourcing Manufacturing: A 20/20 view.
[9] The Nordic region – Digitalisation and automation in the Nordic manufacturing sector.

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Momentum Group's market

Momentum Group is active in the market for industrial components, industrial service and related services in the Nordic region. This market is characterised by a high level of fragmentation and despite Momentum Group's leading position, the company has a relatively low market share. This creates favourable conditions for continued growth, particularly through acquisitions.

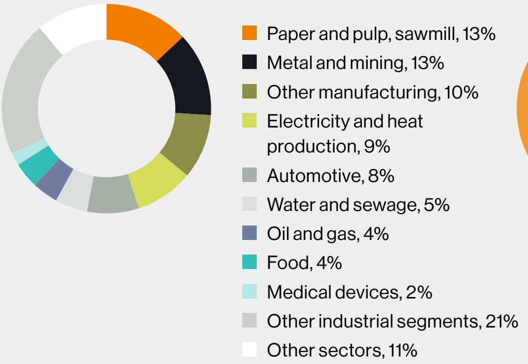
Fragmented market and high pace of change with increasing degree of specialisation

The players in the market consist primarily of manufacturers, resellers and end customers. This market is fragmented with significant variations in size among product manufacturers, resellers and end customers.

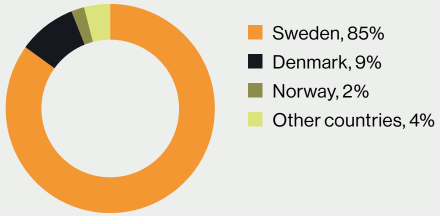
The market is undergoing rapid change, with a growing degree of specialisation in all areas. End customers often have difficulty buying directly from all manufacturers in the market, and manufacturers have similar challenges reaching the fragmented customer base in a cost-effective and expertise-based way.

Resellers of products and services therefore act as a natural link between manufacturers and end customers. By offering end customers cost-effective access to a wide range of products, services, maintenance, repairs, advisory services and product training, resellers also enable cost-efficient contact between the manufacturers and end customers in the market.

Revenue per customer segment, 2023



Revenue per country, 2023



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Momentum Group's role in the value chain

The companies in the Industry business area offer components and related services primarily to aftermarket customers and original equipment manufacturers (OEMs) in the industrial sector in the Nordic region. The companies are mainly resellers, but with certain proprietary products and system construction, with a significant focus on industrial improvements.

The companies in the Infrastructure business area offer products, services and solutions to customers in industrial infrastructure, which is critical for a functioning society. The companies are resellers and service companies, and often deliver solutions with a focus on secure operation, longer service life and increased efficiency.

Manufacturers

- Manufacturing of own products and customised solutions.
- Competence-based sales via resellers or directly to end customers.
- Cost-effective way of reaching selected customers.

Value-added resellers

We serve as a cost-effective and value-adding link between manufacturers and end customers.

We specialise in certain product segments to be able to offer a broad and in-depth product range combined with expertise and value-added services.

As a partner, we create added value for our customers, offering advisory services, product adaptation, service, repairs and maintenance.

Our customers

- Mainly end customers or OEMs within the industrial and infrastructure sectors in the Nordic region.
- Fragmented end customer base in terms of industry and size, with varying requirements.
- Procurement is often managed locally.
- Want to have specialist expertise in one or more product segments.
- Want high availability locally.
- Want advisory services and product maintenance.

Momentum Group's offering[1)]

Local manufacturing, assembly, proprietary brands

~10%

Value-added resellers

~75%

Service, repairs and maintenance

~15%

[1)] Approximate distribution of revenue.

Customer distribution[1)]

Aftermarket

~90%

OEMs

~10%

[1)] Approximate distribution of revenue.

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Business model, objectives and strategies

This is how we generate value

INPUT

Resources

- Approximately 750 dedicated employees.
- Independent companies.
- Broad customer base in Nordic industry.
- Strong and long-term supplier relationships.
- Strong financial position.

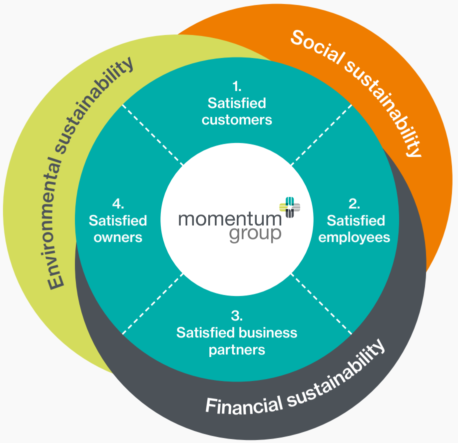
Business environment

- Increased focus on sustainability.
- Economic climate and prerequisites for industrial production in the Nordic region.
- Increased demand for local presence and high availability.
- Manufacturers are seeking strategic skills-oriented channels.
- Increased automation and digitalisation.

Read more about our market

BUSINESS MODEL

Sustainability based on social, financial and environmental responsibility is the core of our business and the starting point for how we govern and monitor our operations.



This is how we generate value as an active owner

We develop
Business development through active ownership.

We build culture
Business development through decentralised responsibility and employee development.

We acquire
Growth through acquisitions of sustainable companies.

Read more about how we generate value as an owner

How we generate value with a sustainable customer offering

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

- Product range with breadth and depth within selected product verticals.
- Value-added services.
- Good availability through a strong local presence and expertise.
- Digital, customised solutions.

Read more about our business areas

OUTPUT

1. Satisfied customers

In 2023, we implemented 555 new industrial improvements that demonstrate the value that our products and services provide for the customer from a work environment, environmental and financial perspective. In total, this led to a monetary improvement of about SEK 200 million for our customers.

2. Satisfied employees

In 2023, the proportion of implemented performance reviews increased to 83 per cent (77). 40 per cent (40) of the members of the Parent Company's Board of Directors were women. More than 30 per cent of the employees have been working in the Group more than ten years.

3. Satisfied business partners

Our market position enables us to achieve competitive purchasing terms and ensures that we have effective purchases and sales processes.

In 2023, the proportion of suppliers who had signed our Code of Conduct increased to 72 per cent (71).

4. Satisfied owners

In 2023, we surpassed all of our financial targets. Earnings growth was 30 per cent (target >15 per cent), the return on working capital was 59 per cent (target >45 per cent) and the Board proposes that the AGM agree on a pay-out ratio of 32 per cent (target >30 per cent).

Read more about our stakeholder model and "Our Four Satisfied Groups"

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Strategic focus for our operations

Mission

Together for a sustainable industry

Our operations, together with their customers, partners and other stakeholders, must contribute to creating a sustainable industry in the Nordic region from a social, environmental and financial perspective.

A sustainable industry produces goods and offers services without destroying the livelihood and development opportunities of future generations. A well-functioning and sustainable industry generates several positive social and environmental effects and supports economic growth and development.

Increased resource efficiency, safer and healthier work environments, and cleaner and more environmentally friendly technologies and industrial processes are all important industry adaptations when it comes to facilitating sustainable development.

Business concept

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

For our customers, it is important to maintain healthy profitability in their operations. The Group's various companies sell quality products and related services that create customer value throughout their entire service life. This simplifies the everyday operations of industrial customers and simultaneously contributes to safer and more sustainable operations and increased profitability for customers.

Vision

The customer's best sustainable choice

Our various companies focus on understanding customer needs in order to offer the best solution for the customer, based on their situation and needs. The companies also aim to be the best by serving as premium suppliers with a high level of expertise that distinguishes them from other suppliers, through various customer value advantages.

Remaining "the customer's best sustainable choice" and a leading player in tomorrow's market requires a long-term sustainable, profitable business. This requires that the Group's operations offer popular and competitive products and services, represent sustainable values, and have a high level of expertise and the capability and resources for continuous development.

Strategy

Value rather than price as a competitive advantage

To continue to surpass the internal profitability target of a EBITA/WC of at least 45 per cent and to realise the Group's mission, vision and business concept over the long term, all operations must be able to offer their customers the best possible overall finances (lowest total cost) through their solutions, backed by in-depth customer insight and good availability, high-quality products and services, and a high level of expertise.

To be able to offer this to customers while maintaining their own profitability, the operations must work as efficiently and cost consciously as possible – and continuously strengthen their expertise and experience so that they can operate more efficiently than their competitors.

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Targets and target fulfilment

Momentum Group has a number of Group-wide business objectives for its operations in the form of financial targets and sustainability goals. In addition to the overall business objectives, each operation works with its own earnings and profitability targets as well as tangible environmental and social targets.

Financial targets

Earnings growth

Target: >15%

Outcome 2023:

30%

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

Profitability

Target: >45%

Outcome 2023:

59%

Momentum Group aims to achieve an EBITA/WC return of at least 45 per cent, measured as EBITA in relation to utilised working capital (WC). This applies both to the Group as a whole and to every individual operation (profit unit).

Read more in "Focus areas"

Dividend policy

Target: >30%

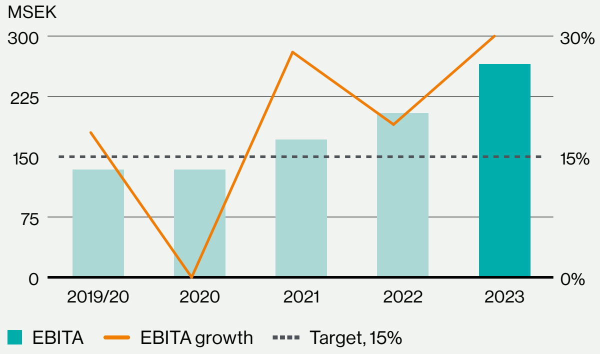
Outcome 2023:

32%[1)]

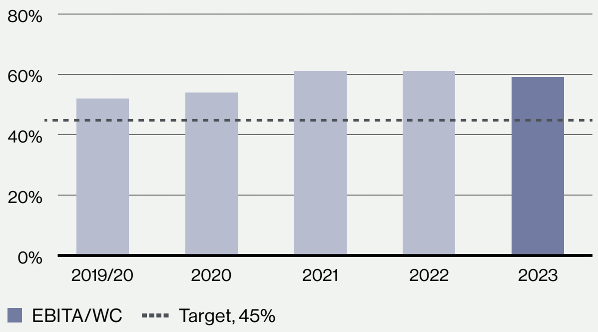
Momentum Group aims to distribute at least 30 per cent of earnings per share as dividends annually over a business cycle. The Board of Directors' dividend proposal to the AGM of SEK 1.10 per share corresponds to a pay-out ratio of 32 per cent.

1) Proposal by the Board of Directors

Earnings growth (EBITA)[2)]



Profitability (EBITA/WC)[2)]



2) Rolling 12 months

Contents

Sustainability goals

The Group as a whole has decided to focus on three of the UN SDGs in areas where we believe we have the greatest potential to contribute and influence.

Read more about our sustainability goals

Sustainable workplaces

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

Number of employees who had performance reviews during the year.	**Outcome 2023:** 83% (77%)

Sustainable industry

Increase the proportion of purchases of products and services from CoC-classed suppliers every year.

Increase the number of industrial improvements carried out.

Proportion of purchases from CoC- classed suppliers	**Outcome 2023:** 72% (71%)
Number of proven industrial improvements (new target)	**Outcome 2023:** 555

Minimise climate impact

The Group aims to achieve an annual reduction of carbon emissions from company cars in accordance with the established Company Car Policy.

Increase the proportion of fossil-free and/or climate-neutral electricity procured by the Group.

Reduction in carbon emis sions from company cars (grCO_2 per kilometre driven)	**Outcome 2023:** –1% (–7%)
Proportion of fossil-free/ climate-neutral electricity	**Outcome 2023:** 93% (75%)

Industrial improvements

The Group works continuously to adapt and develop its sustainability-related objectives and thereby to promote a positive development. An important means of achieving the vision of being the customer's best sustainable choice is what the Group refers to as industrial improvements.

By industrial improvements, we mean a process that we offer to our customers that demonstrates the value that our products and services provide for the customer from a work environment, environmental and financial perspective. Industrial improvements are always carried out together with the customer and are signed off by the customer with the aim of securing a shared view of the value that our sustainable solutions provide for the customer.

An industrial improvement documents the customer's requirements, and presents a solution that generates an improved work environment, reduced environmental impact, and financial savings or a profit increase. In the best case scenario, an industrial improvement can influence all three parameters, although there are times when it can only affect one or two of the sustainability parameters.

In 2023, we introduced industrial improvements in our operations as a sustainability-related target. The objective is for each company that has been part of the Group for a full year to document its industrial improvements and that we, as a Group, will gradually increase the number of industrial improvements implemented.

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Industrial improvements show how our approach takes sustainability from theory to practice in our daily work, together with our customers and partners. Momentum Industrial has been documenting the improvements it has made for customers for almost 15 years.

Example of an industrial improvement

Extended replacement interval

Momentum Industrial discovered that a customer in Skellefteå had a chain drive for a conveyor belt in a very dusty and dirty environment. This was affecting the conveyor belt's operation and meant that the chain needed to be replaced every four months and tightened a further six times a year due to chain stretching. Each replacement takes 16 hours and is carried out by two mechanics. In addition to creating work environment risks and requiring additional man-hours, each replacement also costs money and the purchase of a new chain has an environmental impact.

Together with its partner Renold, Momentum Industrial recommended a solution that involved a new model of heavy-duty chain, which reduced the chain replacement frequency for the customer. Having the right chain for the conveyor greatly reduces the replacement frequency, thereby also reducing transportation and consumption of new chains.

Work environment

The customer does not need to change the chain as often and therefore avoids spending unnecessary time in a noisy environment.

Environmental savings

365 kg CO_2/chain

Financial savings

SEK 350,000/year

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Focus areas

Business development through active ownership

Our approach to business development is based on encouraging our companies to continuously develop and strengthen their service and product offering, subject to requirements that are directly connected to business objectives.

Our governance model for long-term profitable growth

Momentum Group has a clear focus on earnings growth and cash-flow generation, which are ingrained in our business model and financial targets. We operate on the basis of three fundamental requirements – growth, profitability and development – which characterise the governance of our subsidiaries.

The three fundamental requirements are followed up internally for all profit units and specific action plans are drafted for each unit that concentrate on growth and/or profitability.

The growth target – EBITA growth of at least 15 per cent annually over a business cycle – ensures profitable growth and not merely volume growth. We work continuously to improve the customer offering through customised solutions that add value for the customer and reduce our need to compete only on the basis of price. We also have strong internal cost control. The Group's focus on the profitability target of EBITA/WC ensures a focus on maintaining low and stable working capital within the subsidiaries. The operations have relatively few tangible assets and related fixed investment costs.

To ensure long-term growth and profitability, our companies and employees must also be able and willing to develop and change over time. At Momentum Group, we define the term "development" as actively tackling significant issues, opportunities and problems to bring about a positive change – "Better than yesterday". Our approach to business development is based on continuously developing and strengthening our service and product offering, specifying requirements for the companies connected to business objectives, and working to ensure that the companies in the Group are able to prove that they are the best choice for customers, in part by demonstrating industrial improvements that have a positive impact on customers' financial results, environmental impact, and occupational health and safety.

Three fundamental requirements for our companies – for long-term profitable growth

Growth

Earnings growth of at least 15%

- The foundation for long-term profitability.
- Easier to create opportunities for our loyal employees.
- Offer our customers and business partners a long-term partnership.

Profitability

EBITA/WC of at least 45%

- Financing our continuing development.
- Financing of growth via acquisitions.
- Return to shareholders.

Our internal focus model for capital allocation

EBITA/WC

0%	25%	45%
Focus on profitability.	Focus on profitability and growth.	Focus on growth while maintaining profitability.

Development

Successful companies and their employees have to continuously dare to develop and change over time.

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Business development through decentralised responsibility and employee development

At Momentum Group, decentralised responsibility is key to our success. The management team of each company has considerable freedom but also bears a responsibility to continue developing the company on their own. In practice, this means that our subsidiaries are driven by clear objectives with a high degree of independent decision-making and flexibility.

Decentralised responsibility with local business acumen
Momentum Group has a decentralised organisation, wherein business decisions are made in close proximity to customers and suppliers. Within the framework of our vision, business concept, strategic goals and governance documents, operating activities are conducted independently in the subsidiaries with accountability for their own earnings and profitability.

This allows considerable flexibility to adapt the offerings to customers' needs. It also means that the employees are given and assume great personal responsibility with good opportunities to develop. The subsidiaries and employees benefit from the collective size of Momentum Group and from the ample opportunities offered by a large company in the form of experience, expertise, contact networks, access to networks and financial resources. There is also a continuous collaboration and sharing of experience between the subsidiaries in order to establish best practices.

This decentralisation of business responsibility places all of our employees at the centre of the operations and their development. It is the ability and willpower of the employees that give Momentum Group its strength. Attracting, retaining and developing competent managers and employees is thus a top priority for us.

Focus on development of employees
The Group endeavours to develop its employees and safeguard future competencies and succession planning in order to secure local market leadership. The ongoing skills and performance development of the Group's employees mainly occurs at the company level through various types of targeted training programmes in such areas as successful sales and performance development. Our joint Business School provides employees with training in our view of corporate culture and business acumen.

The Group conducts regular employee surveys designed to find out what employees think of us as an employer, the work climate and leadership. While these surveys have shown a predominantly positive view of Momentum Group's development and of the companies in the Group as employers, they have also identified a number of future development areas in various parts of the Group.

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

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

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Our corporate culture

The combination of decentralised responsibility, a will to improve ("better than yesterday") and simplicity is fundamental to our view of business development through active ownership.

Decentralised responsibility

- Freedom to independently lead, develop and improve the business operations of the individual company, or at various levels within the company, such as a region or a district.
- Clear, measurable targets linked to activities that are broken down to an individual level in annual performance reviews with each employee.
- An ability to make important business decisions close to customers and suppliers by competent employees with great personal responsibility.

Will to improve

"Better than yesterday"

- Every day, we should be slightly better than we were yesterday.
- Changes – that is to say, improvements – are to be enduring within Momentum Group.
- It is important for us to be able and willing to rapidly adapt to new conditions and challenges in a market that is constantly changing.

Simplicity

- Simplicity is to reflect our way of working.
- Simplicity is not a matter of working quickly and carelessly, but of working in a deliberate and concentrated manner.
- To us, simplicity is about simplifying problems and not becoming lost in a sea of details.

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Growth through acquisitions of sustainable companies

Momentum Group meets the critical requirements to continue pursuing an active acquisition strategy. The Group is financially strong and well established. We are a committed owner with clear objectives and tools for promoting sustainable development and profitability in the companies we acquire. In 2023, Momentum Group acquired 11 companies, with combined annual revenue of approximately SEK 610 million. These acquisitions strengthen our position as a specialist company and made a positive contribution to EBITA, which increased by 30 per cent in 2023.

Acquisitions are an important part of our growth strategy
As an acquirer without an exit horizon, we grow by continuously acquiring profitable and well-managed companies. Companies that we take good care of, with clear ambitions for earnings growth and activities to achieve these goals.

In 2023, Momentum Group acquired 11 companies, with combined annual revenue of approximately SEK 610 million. We also established operations in Finland through the acquisition of Helsingin Kumi. This was our first individual acquisition in Finland and strengthened our position in industrial rubber – one of several attractive product areas that will offer opportunities for continued growth through acquisitions.

Over the past year, we have built up an organisation and structural capital for acquisitions. Along with a strong balance sheet and cash flow from operating activities, this provides us with favourable conditions for maintaining a high pace of acquisitions going forward.

Proven acquisition model
Since 2021, we have successfully completed more than 20 acquisitions, which has helped us accumulate extensive experience of acquisition processes. Our proven model has become an effective framework for identifying, evaluating and executing acquisitions and successfully onboarding new companies. This foundation of experience strengthens our capacity to navigate the complexity of acquisitions and to ensure that each new company has the right conditions.

Critical success factors in place for continued acquisition-driven growth

- Financially strong with scope for acquisitions.
- Principal owner who wants to grow the Group in this area.
- Industrial networks, particularly in Sweden but also in Denmark, Norway and Finland.
- Processes and resources in place for evaluating and implementing acquisitions.
- A proven onboarding model – decentralised profit and business responsibility.
- Competencies in the area on a number of levels.

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The process step-by-step

Momentum Group structures its acquisition process in several steps to identify and assess potential acquisition candidates. The process starts by identifying attractive industrial segments, or product verticals, based on specific criteria. When mapping out our end customers, a market and potential analysis is conducted to assess the potential to expand the market to include new customer segments.

Companies are continuously screened to identify attractive candidates, with priority assigned to a strong strategic fit and fulfilment of company-specific criteria. To facilitate the process and enhance its efficiency, Momentum Group works with internal teams, which enables relevant questions to be answered and provides support for entrepreneurs throughout the process.

For each potential acquisition, a thorough due diligence process is conducted by specially convened, experienced teams that include operations managers as well as financial and legal experts. This process is adapted to each individual acquisition in order to address its unique conditions. During the acquisition process, we also work to establish realisable value creation plans for the companies we acquire.

In summary, each acquisition candidate is evaluated on the basis of clear criteria to ensure a good strategic fit and to lay the groundwork for success within Momentum Group. The aim is for the acquired company to contribute to the Group's profitability in the short and long term, while also offering good opportunities for growth.

Companies we want to acquire

Attractive product/service verticals

- Business model that benefits from trends in society: sustainability, digitalisation, demographics, etc.
- Strong position in the value chain: not exposed to external threats, end-customer relationship, proprietary products, etc.
- Offerings in areas that we are familiar with, such as aftermarket, service, repairs, maintenance, technical consulting and project sales.
- Existing or adjacent areas of technology, such as industrial automation, hydraulics, pneumatics, control and regulation technology.
- End customer segment with a strong Nordic affiliation: steel and metal, chemicals and pharmaceuticals, automotive, mining, energy, paper and pulp, etc.

Attractive companies

- Historically successful growth in revenue and earnings with healthy profitability, particularly measured through EBITA/WC.
- Value-added customer offering with a high level of expertise and/or technological content, often reflected in the contribution margin over time.
- Established customer and supplier relationships, with commercially successful offerings that are based on strong and stable customer and supplier relationships.
- Clear focus on the market niche and a strong position that can hold its own against competitors and new players.
- And perhaps most importantly, a culture with driven leaders/entrepreneurs who fit in with our corporate culture and philosophy.

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Professional acquisition organisation

We largely use internal resources to evaluate, acquire and welcome new companies to the Group. The process involves not only management but also a number of other people from various areas of our operations with extensive experience of acquisitions and entrepreneurship. Many of the people our acquisition candidates meet during the process have been in the same situation themselves and divested their operations to Momentum Group.

Acquisitions at the subsidiary level

The Group focuses on acquisitions at several different levels. Subsidiaries that meet the Group's profitability target of at least 45 per cent EBITA/WC can use acquisitions as a way to expand their operations. These acquisitions often take the form of add-on acquisitions in existing companies to strengthen the offering or enable geographic expansion. The CEO of the subsidiary often bears commercial responsibility in these transactions, with support from other areas in the Group.

Rikke Dahlgaard and Torbjörn Börjesson shake hands at the Cobalch warehouse in Kvistgård (just outside Helsingör) marking the company's acquisition on 15 November 2023.

Case: Acquisitions at the subsidiary level

Cobalch complements BPS in flow technology

In November, the subsidiary BPS acquired the Danish company Cobalch, a specialist in pipeline accessories for gas, water, oil, sewage treatment plants, waterworks and refineries for customers in the Nordic region and parts of Europe.

"Our acquisition of Cobalch complements BPS's offering of pipeline accessories in Sweden, while also opening the door to the Danish market in this area. We have collaborated with them for some time, and we can see a number of overlaps and synergies with our operations in BPS," says Torbjörn Börjesson, CEO of BPS.

"We look forward to being a part of Momentum Group and the new cooperation and business opportunities that this entails – in the medium term, we can see significant potential to expand our offering in water and sewage," says Rikke Dahlgaard, CEO and owner of Cobalch.

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Acquisitions at the business unit level

We also conduct acquisitions at the business unit level. Each unit has its own clear acquisition agenda with a team responsible for acquisitions, consisting of two to three people in each area.

Power Transmission
Looking for companies that can complement the operations of Momentum Industrial in Sweden, Norway and Finland.

Specialist
Looking for companies in leading specialist positions in their respective market niches in the Nordic region.

Flow Technology
Looking for companies in flow technology in the Nordic region.

Technical Solutions
Looking for companies in technical industrial service and measurement companies, mainly in Sweden.

Case: Acquisitions at the business area level

Swerub strengthens the Group's position in industrial rubber

In November, Swerub was acquired, a market leader in Sweden in advanced custom-made rubber products for industry.

"The acquisition of Swerub strengthens our position in industrial rubber, which is already a key product area for us. Swerub's proprietary manufacturing, problem-solving capacity and inventory management help to guarantee delivery precision and enable us to offer unique solutions in a growing market," says Anders Larsson, head of the Specialist business unit at Momentum Group.

"We look forward to being a part of Momentum Group, with whom we share many values. Along with our skilled employees, our focus on accuracy, precision and quality gives us a competitive advantage. To us, sustainability is an important part of the business – we are ISO-certified and work proactively with sustainability and resource consumption to meet all of industry's quality and environment demands," says Thomas Nilsson, CEO and owner of Swerub.

Anders Larsson, Head of Specialist

Thomas Nilsson, CEO of Swerub

Swerub is market leader in Sweden for custom-made rubber products for industry. Rubber is a material that can be manufactured with very high precision. The smallest item manufactured by Swerub, a suction cup, has a weight of 0.014 grams and a height of 3 mm. This requires a sophisticated and modern production facility, combined with the skilled employees.

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Acquisitions at the Group level

Finally, Group management also works to identify and conduct major acquisitions, but also to support the companies and business areas by sharing specific expertise in transactions, financial analysis, communication, etc. This team comprises about five people.

Askalon has supplied the process and power industries with sustainable valves since 1973. Today, the company has more than 100 engineers, project managers and service technicians with expertise in valves, valve service and valve diagnostics.

Case: Acquisitions at the Group level

Askalon provides a key position in industrial valves

In June, the Group acquired Askalon, a leading player in advanced valve solutions primarily for the power, refinery and process industries in the Nordics.

"With the acquisition of Askalon, we have advanced our position in an exciting area that fits very well with Momentum Group's strategic direction. Askalon has a leading position in its area, with a high degree of industrial knowledge and a strong product portfolio with excellent brand awareness after 50 years in the business. The company's broad, established customer base in stable customer segments is particularly interesting. This combines with exposure to industries with structural growth, such as power and energy, and exciting investments in green tech and solutions for critical infrastructure in water," says Ulf Lilius, President & CEO of Momentum Group.

"When I took over the helm from my father in 1997, we had 20 employees and revenue of SEK 30 million. Today, we are established in several countries, with more than 100 employees, and have built up a leading position in industrial valves. It was important for me and my family to find a new owner that genuinely understands our business and our partnership with Emerson and that has the ability to develop the company further. It is particularly exciting since we are celebrating our 50th anniversary this year, and we are convinced that Momentum Group is just the right company to further develop Askalon, both for the company and for our important customers and suppliers," says Mats Warnqvist, CEO of Askalon.

Ulf Lilius, CEO of Momentum Group

Mats Warnqvist, CEO of Askalon

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Acquisitions in 2023

Acquisitions during the year	About the company	Closing	Holding	Revenue[2]	Employees
Hydmos Industriteknik AB[1]	Leading niche player in advanced hydraulic and gas systems for use in high-pressure applications.	2 Feb 2023	70%	SEK 17 million	4
Agera Industritillbehör AB	Supplier-dependent reseller in ball bearings, transmissions, motors and filters, and seals.	16 Feb 2023	100%	SEK 15 million	5
LocTech AB	Comprehensive supplier of seals for rotating and static applications.	1 Mar 2023	100%	SEK 13 million	6
Askalon AB	Leading player in advanced valve solutions primarily for the power, refinery and process industries in the Nordics.	5 Jun 2023	94%	SEK 317 million	115
Regal A/S	Leading niche player in transmission, electrical automation and control for both OEM and end customers.	30 Jun 2023	100%	DKK 34 million	6
Processkontroll Items AB	Leading niche player in instrumentation for demanding operating conditions.	3 Jul 2023	100%	SEK 50 million	12
Conclean AB[1]	Leading niche player in private sewage, rainwater recycling and stormwater management.	1 Sep 2023	80%	SEK 47 million	11
Cobalch ApS[1]	Specialist in pipeline accessories for gas, water, oil, sewage treatment plants, waterworks and refineries.	15 Nov 2023	70%	DKK 17 million	4
WEH Sverige AB	Specialist in CNG/hydrogen refuelling components and gas detection	30 Nov 2023	100%	SEK 10 million	1
Swerub AB	Market leader in Sweden in advanced custom-made rubber products for industry.	30 Nov 2023	100%	SEK 40 million	25
Helsingin Kumi Oy	Specialist in customised rubber products and rubber profiles for industrial customers in Finland.	18 Dec 2023	100%	EUR 2 million	7

Acquisitions after the end of the year					
PW Kullagerteknik	Specialist in ball and rolling bearings, and offers other industrial components to a broad customer base.	13 Feb 2024	100%	SEK 12 million	3

[1] Momentum Group initially acquired 70/80 per cent of the shares in each company. For the remaining 30/20 per cent, the sellers have a put option and Momentum Group has a call option. The price of the options is dependent on certain results being achieved in the companies.

[2] Refers to information for the full year on the date of acquisition.

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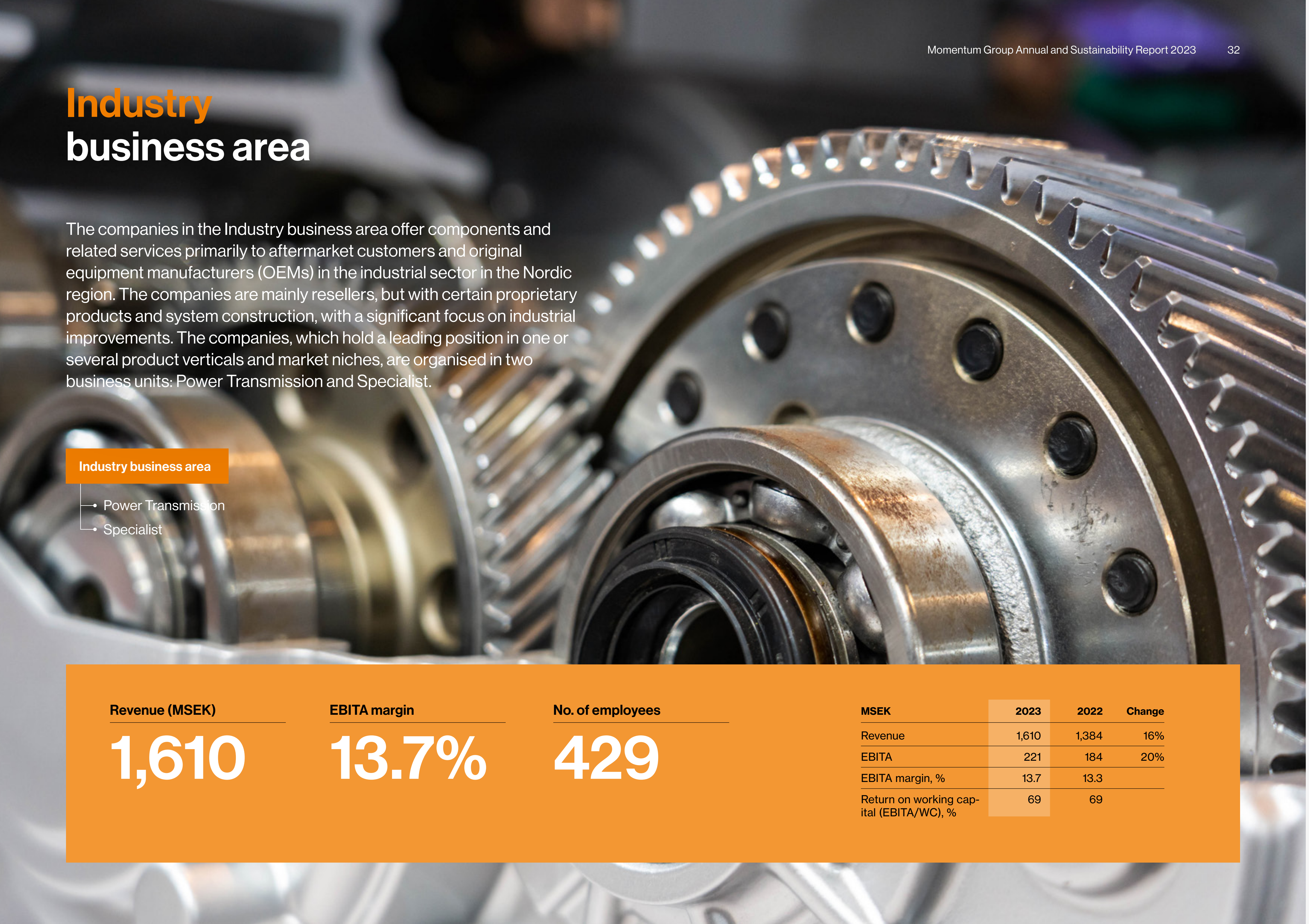
Business areas

Momentum Group has introduced a new Group structure to promote long-term growth, profitability and development. This change strengthens the possibilities for both organic and acquired growth in each business area through better use of the breadth and competence built up within the Group since its listing as an independent company in March 2022. As of 1 January 2024, the business was divided into two business areas: Industry and Infrastructure[1]. The new business areas are presented on the following pages.

[1] Financial information for the business areas for 2023 is presented in the statutory Annual Report on pages 74–113.

Industry business area



The companies in the Industry business area offer components and related services primarily to aftermarket customers and original equipment manufacturers (OEMs) in the industrial sector in the Nordic region. The companies are mainly resellers, but with certain proprietary products and system construction, with a significant focus on industrial improvements. The companies, which hold a leading position in one or several product verticals and market niches, are organised in two business units: Power Transmission and Specialist.

Industry business area
- Power Transmission
- Specialist

Revenue (MSEK)	EBITA margin	No. of employees
1,610	13.7%	429

MSEK	2023	2022	Change
Revenue	1,610	1,384	16%
EBITA	221	184	20%
EBITA margin, %	13.7	13.3	
Return on working capital (EBITA/WC), %	69	69	

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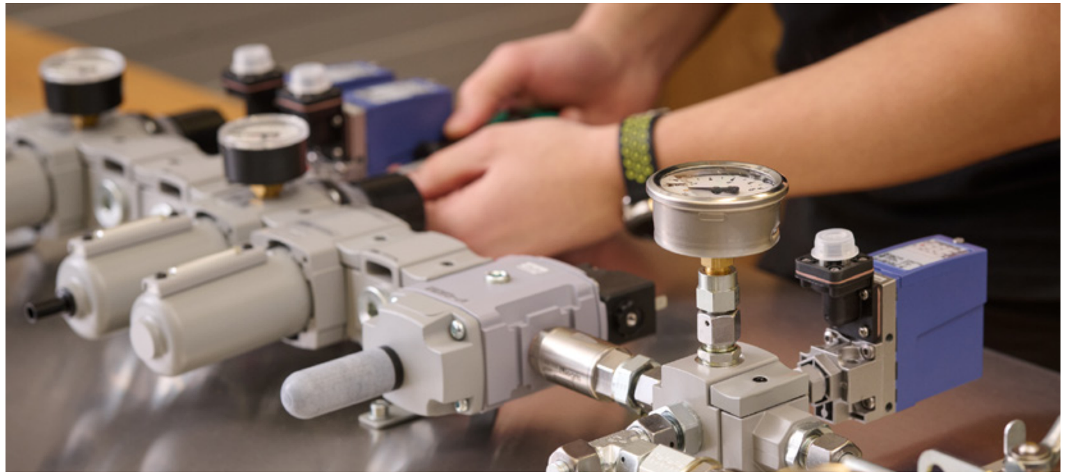
Operations

Power Transmission

Services and solutions for repair and maintenance with a focus on industrial improvements for the aftermarket in the Nordics. Offers local access to products in bearings, drive motors, sealing and technical transmission as well as related services, such as advisory services, customised product training, permit controls, monitoring, logistics solutions and on-call services.

Specialist

Sales and maintenance of technical components and solutions in selected product verticals, such as hydraulics, pneumatics and automation. The companies, which have leading positions in distinct niche markets, sell industrial products and systems, conduct manufacturing and offer in-house assembly of products for OEMs.



Performance in 2023

Power Transmission, which comprises the company Momentum Industrial, delivered a favourable sales and earnings performance during the year, with volume growth primarily in the automotive and mining segments. Sales increased in the product areas of bearings, automation and seals. During the year, the acquisition and integration of LocTech was completed.

The companies in *Specialist* delivered a positive performance during the year, with growth in both sales and earnings, in particular thanks to strong contributions from acquired businesses. The companies generally experienced stable demand. Some companies were affected by delivery disruptions to a certain extent. During the year, the acquisitions of Agera, Regal, Swerub and Helsingin Kumi were completed.

Focus going forward

The focus for Power Transmission is to continue its geographic expansion, while the focus for Specialist is to continue strengthening its position in its niche markets and acquire new companies in the area in 2024.

"

As a result of an incredible level of commitment by all of our employees, we succeeded not only in implementing a major change, but also in growing our business. We now have even better conditions to continue to grow and develop as a company, a business partner and an attractive employer.

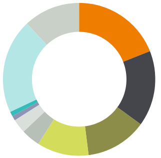
Jimmy Norlinder
Head of Power Transmission

"

We conducted a number of successful acquisitions in 2023, which in turn resulted in impressive growth and strengthened our market presence. We made our first acquisition in Finland, Helsingin Kumi, which also strengthened our position in industrial rubber, an important product area for us.

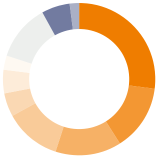
Anders Larsson
Head of Specialist

Revenue per customer segment



- Metal and mining, **19%**
- Paper and pulp, sawmill, **16%**
- Other manufacturing, **13%**
- Automotive, **11%**
- Food, **4%**
- Medical devices, **3%**
- Oil and gas, **1%**
- Electricity and heat production, **1%**
- Other industrial segments, **20%**
- Other sectors, **12%**

Revenue by product area



Products
- Bearings, **27%**
- Hydraulics and pneumatics, **14%**
- Transmission, **14%**
- Technical seals and industrial rubber, **12%**
- Pumps, electric motors and gears, **5%**
- Lubricants and chemicals, **5%**
- Machinery and systems, **3%**
- Other components, **12%**

Services
- Repairs and renovation, **6%**
- Related services (such as training and installation) **2%**

Products	92%
Services	8%

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Our companies

Power Transmission

Momentum Industrial

Revenue: SEK 1,277 million
No. of employees: 320

Market-leading supplier of industrial components and services in the Nordic region, with local inventory and sales in 35 locations in Sweden and Norway. Offers local access to products, know-how from leading manufacturers, customised product training programmes, logistics solutions and on-call services.

Specialist

Agera

Revenue: SEK 16 million
No. of employees: 5

A supplier-independent reseller of components and services to industrial customers. Represents world-leading manufacturers in the product areas of ball bearings, transmission, engines and filters as well as seals.

HNC

Revenue: DKK 52 million
No. of employees: 27

Leading player in industrial automation solutions in Denmark, with sales and production of components as well as customised solutions for automation and process optimisation for customers, primarily in the food and pharmaceutical industry, and for machine builders.

PW Kullagerteknik

Revenue: SEK 12 million
No. of employees: 3

Specialist in ball and rolling bearings, but also offers other industrial components, such as seals and transmissions, to a broad base of industrial customers. The operations, including inventory and offices, are located in Skarpnäck, outside Stockholm.

Regal

Revenue: DKK 34 million
No. of employees: 7

Leading niche player in transmission, electrical automation and control for both OEMs and end customers in the food, toy and pharmaceutical industries in Denmark. The company offers products including electric motors, gears, frequency converters, PLCs and sensors.

Etab

Revenue: SEK 77 million
No. of employees: 22

A market-leading industrial automation company that provides high-quality products and services in hydraulics, linear technology and pneumatics to industrial companies in Sweden. Niche operation in seal manufacturing.

JNF

Revenue: DKK 42 million
No. of employees: 15

Sales of industrial components and services in areas such as transmission, hydraulics and pumps as well as industrial consumables for professional end users in the industrial, civil engineering and public sectors in Denmark.

Swerub

Revenue: SEK 40 million
No. of employees: 28

Market leader in Sweden in advanced custom-made rubber products. Also offers a broad range of standard components for rapid delivery to industrial customers. The company has two production facilities in Sweden's Värmland region: one in Sunne and one in Ekshärad.

Helsingin Kumi

Revenue: EUR 2.1 million
No. of employees: 7

Specialist in customised rubber products and rubber profiles. The products are customised in the company's own workshop and delivered to industrial customers, primarily in Finland.

JOKRAB

Revenue: SEK 30 million
No. of employees: 8

Offers flexible automation services and builds and assembles equipment for the regulation of all types of processes, primarily for the pharmaceuticals industry.

Öbergs

Revenue: SEK 54 million
No. of employees: 14

A market-leading specialist player in pneumatic solutions for industrial production that provides high-quality products and services in pneumatics, process valves and measuring devices as well as assembly, advisory services, training and service.

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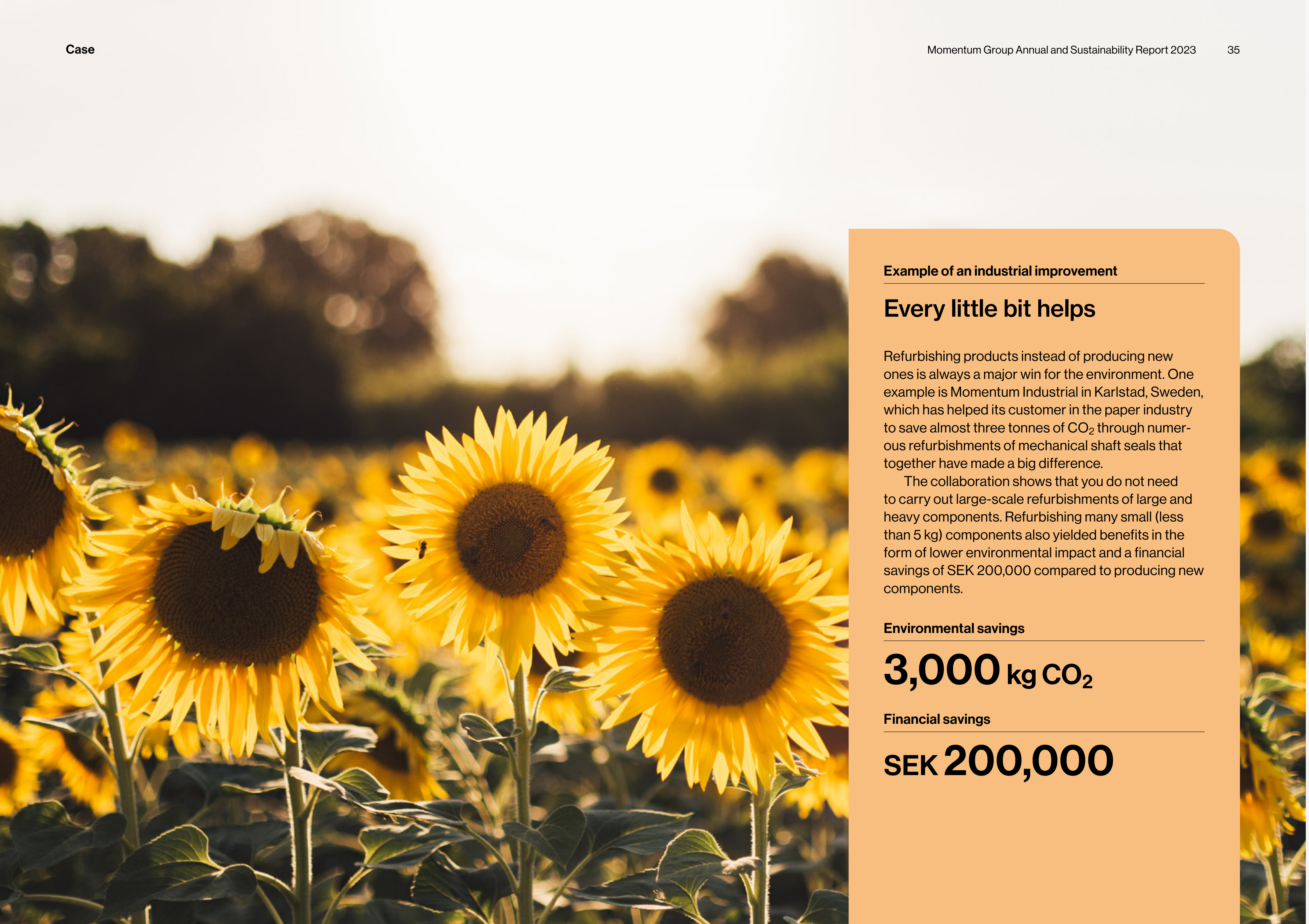

Example of an industrial improvement

Every little bit helps

Refurbishing products instead of producing new ones is always a major win for the environment. One example is Momentum Industrial in Karlstad, Sweden, which has helped its customer in the paper industry to save almost three tonnes of CO_2 through numerous refurbishments of mechanical shaft seals that together have made a big difference.

The collaboration shows that you do not need to carry out large-scale refurbishments of large and heavy components. Refurbishing many small (less than 5 kg) components also yielded benefits in the form of lower environmental impact and a financial savings of SEK 200,000 compared to producing new components.

Environmental savings

3,000 kg CO_2

Financial savings

SEK 200,000

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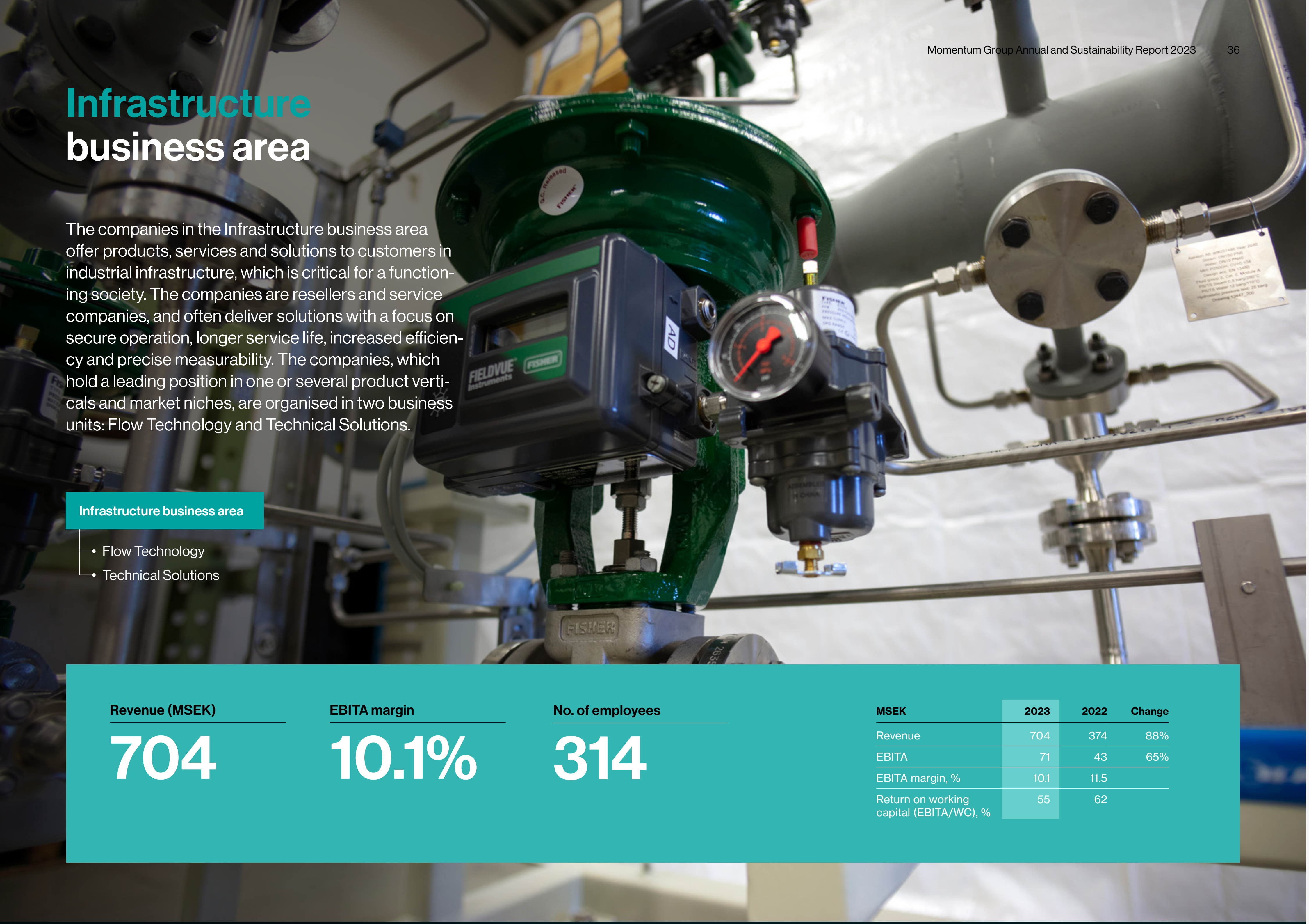

Infrastructure business area

The companies in the Infrastructure business area offer products, services and solutions to customers in industrial infrastructure, which is critical for a functioning society. The companies are resellers and service companies, and often deliver solutions with a focus on secure operation, longer service life, increased efficiency and precise measurability. The companies, which hold a leading position in one or several product verticals and market niches, are organised in two business units: Flow Technology and Technical Solutions.

Infrastructure business area

- Flow Technology
- Technical Solutions

Revenue (MSEK)
704

EBITA margin
10.1%

No. of employees
314

MSEK	2023	2022	Change
Revenue	704	374	88%
EBITA	71	43	65%
EBITA margin, %	10.1	11.5	
Return on working capital (EBITA/WC), %	55	62	

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Operations

Flow Technology

Solutions for mechanical flows and fluid handling throughout the value chain, including valves, fittings, hydraulics, flow technology, treatment, diagnostics and advanced flow calculations. Focus on critical functions within processes and society, where media such as steam, gas and water play a key role.

Technical Solutions

Products and services that control and enhance the efficiency of plant operation, while also extending the service life and improving the efficiency of machinery. The companies sell components and services in digitalised monitoring, measuring and repairs, mainly to Nordic industrial and infrastructure customers, where customisation, quality and delivery precision are at a premium.

Performance in 2023

The companies within *Flow Technology* delivered a positive performance during the year, with growth in sales and earnings. Many of the companies in the business unit were acquired during the year. The companies experienced healthy

demand, driven by industrial and municipal customers. During the year, the acquisitions of Hydmos, Askalon, Items, Conclean, Cobalch and WEH Sverige were completed.

The companies within *Technical Solutions* displayed a generally stable trend during the year. Most of the companies delivered a positive sales performance, despite greater caution among some customers. Workshop capacity utilisation was generally favourable. At year-end 2023, a merger of the companies Mekano and Carl A took place. The measurement technology and control operations noted a gradual improvement in customer activity and demand during the year.

Focus going forward

The focus in the business area is on growth through the development of existing operations and acquisitions of additional companies with unique expertise in their specific niches.

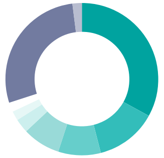
> The business area's acquisition-intensive journey of growth will continue and its objective is clear. Market demand in mechanical flows and flow management is increasing and we are well equipped to capture additional market share.
>
> **Martin Gyllix**
> Head of Flow Technology

> Our services have a high degree of specialisation that often requires entirely unique expertise. And demand for our niche knowledge is only growing. The fact that many of our services are a part of the circular economy also means that we can help our customers to meet their sustainability goals.
>
> **Ola Jönsson**
> Head of Technical Solutions

Revenue per customer segment

- Electricity and heat production, **24%**
- Water and sewage, **12%**
- Oil and gas, **9%**
- Paper and pulp, sawmill, **8%**
- Other manufacturing, **5%**
- Automotive, **4%**
- Metal and mining, **4%**
- Food, **3%**
- Medical devices, **2%**
- Other industrial segments, **21%**
- Other sectors, **8%**

Revenue by product area



Products
- Valves, **33%**
- Other components, **13%**
- Filters, treatment and pipe systems, **9%**
- Pumps, electric motors and gears, **8%**
- Measurement technology, **3%**
- Machinery and systems, **2%**
- Bearings and industrial fixings, **2%**

Services
- Repairs and renovation, **28%**
- Related services (such as training and installation), **2%**

Products	70%
Services	30%

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Our companies

Flow Technology

Askalon

Revenue:
SEK 369 million
No. of employees: 115

Leading player in advanced valve solutions primarily for the power, refinery and process industries in Sweden, Denmark and Iceland. Within control valves, the company has a unique position with its custom-built solutions and as the only Emerson representative in its markets.

BPS

Revenue: SEK 51 million
No. of employees: 13

A leading player in the market for flow technology solutions and products. BPS's own products, such as WHP (Water Hammer Protector), the Kiruna series of jet spray nozzles, design-patented jet spray lances and flow meter wells, complete the offering of products from leading manufacturers.

Cobalch

Revenue: DKK 17 million
No. of employees: 4

A specialist in pipeline accessories for gas, water, oil, sewage treatment plants, waterworks and refineries for customers in the Nordics and parts of Europe.

Conclean

Revenue: SEK 39 million
No. of employees: 11

Leading niche player in private sewage, rainwater recycling and stormwater management, primarily for infrastructure companies. Offers mini-treatment plants, septic tanks, pumping stations, rain recovery tanks and oil separators.

Hydmos

Revenue: SEK 24 million
No. of employees: 4

Leading niche player within specialist fluid solutions, such as gases and fluids for customers within various industries. The offering consists of hydraulic systems, high-pressure pumps, pressure testing equipment and gas-booster systems.

iTEMS

Revenue: SEK 60 million
No. of employees: 13

A leading niche player in instrumentation for demanding operating conditions for customers primarily in the process, gas, biogas, pharmaceutical and manufacturing industries.

WEH Sverige

Revenue: SEK 12 million
No. of employees: 1

A specialist in CNG/hydrogen refuelling components and gas detection, with customers in the process, gas and biogas industries in Sweden. The company offers a broad product range, primarily in quick couplings, refuelling components, check valves and gas detection.

Technical Solutions

Intertechna

Revenue: SEK 21 million
No. of employees: 8

A leading company in Sweden specialising in digitalised maintenance for industrial production, focusing on customers in such areas as the paper and pulp industry and the automotive industry. The company supplies systems and services for operation and maintenance, measuring and calibration, and software installation and support within the area.

Mekano

Revenue: SEK 177 million
No. of employees: 85

One of Sweden's leading suppliers of high-quality products and services with a focus on service and cost savings for industrial customers in areas such as the process industry, manufacturing industry and food industry as well as in maritime and the public sector. As of 1 January 2024, Carl A is a part of Mekano.

Mytolerans

Revenue: SEK 27 million
No. of employees: 8

Conducts sales of mechanical and optical measuring equipment for quality control, follow-up and process controls. Off ers service and calibration as well as training in surface structure and measurement technology. The company is a general agent in Sweden for Mahr, Alicona and Fami and has its own accredited measurement lab for calibration.

Rörick

Revenue: SEK 158 million
No. of employees: 67

Electromechanical workshops that offer service, repairs and reconstruction of all types of electromechanical equipment such as electric motors, generators, transformers and pumps to customers in such areas as the process and manufacturing industry.

Contents

Intertechna's solution makes it much easier for the customer to remotely detect air leaks and plan maintenance stops.

Example of an industrial improvement

Effective air leakage detection saves time, energy and money

Intertechna's customer had high air leakage costs and needed an instrument that could easily detect leaks and enable measurements to be taken remotely.

Intertechna delivered a solution that makes it easier for the customer to remotely detect air leaks and plan maintenance stops based on the size of the leak. It also provides a clear basis for the planned downtime with estimated cost savings.

Using the Fluke ii900 instrument, the customer saves time since it does not need to build scaffolding to take measurements at height. The solution also saves energy as the operating hours for the compressors are reduced. To date, the customer has saved more than SEK 2,000,000.

Work environment

Easier and faster to measure remotely.

Environmental savings

900 kg CO_2/year

Financial savings

SEK 300,000/year

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2023 Annual Report

Risks and risk management

Like all businesses, Momentum Group's operations face uncertainty, and the challenge is to determine how much uncertainty can be accepted in the effort to increase value. Uncertainty involves both risks and opportunities with the potential to both weaken and increase the company's value. Accordingly, Momentum Group take a systematic approach to risk management, which gives the Group's Board of Directors and management the possibility to effectively manage uncertainty and the associated risks and opportunities. Risk management is a significant part of the Group's internal control.

Risk management process

The Group works with a risk management process, which is described in the risk management policy adopted by the Board of Directors. The policy applies throughout the Group and describes the roles, responsibilities, processes and procedures related to risk management. The purpose of risk management in the Group is to systematically identify, assess and prioritise risks in order to make proactive decisions on the management of risks and to capitalise on opportunities to achieve the business goals. A risk assessment is conducted annually as an integrated part of the business planning process, whereby identified risks are systematically analysed and assessed. An assessment is conducted regarding how probable it is that various types of risks will occur within a defined period of time and what consequence these will have on established goals. The assessment provides insight into the consequences for the Group if no action is taken, which risk-mitigating measures are in place, and what risk level the organisation wants to achieve through further measures.

The risks to which the Group's operations are exposed are mainly categorised as strategic risks, operational risks, regulatory compliance risks and financial risks. The assessment of these risks is performed at both the subsidiary and Group level. In addition, a risk assessment is implemented concerning the Group's risks associated with financial reporting.

Within the framework of the annual business planning process, each subsidiary has a responsibility to identify significant risks in the above risk areas for its own operations. Company management works to consolidate the risks identified in the business planning process in each subsidiary, and to develop its own view of the significant risks in the Group through one or more risk workshops. Group management presents its view of the collective significant risks in the operations to the Board of Directors of the Parent Company, which is thereby given the possibility to submit its own view of the identified risks.

Before the risk assessment is finally adopted by the boards of directors at the various levels of the Group, a risk owner is assigned to each risk. The risks and their management are then followed up at Board meetings during the year, which also was the case in 2023.

Roles within the Group's risk management process

The Board of Directors of the Parent Company is ultimately responsible for risk management and internal control and is tasked with adopting the risk management policy on an annual basis, adopting, where appropriate, the risk-appetite and tolerance levels, and overseeing risk management through continuous reporting. The Parent Company's Audit Committee supports the Board in its work to assure the quality of the Group's risk management process. The CEO of the Parent Company is responsible for the day-to-day administration in accordance with the Board's instructions. The CEO has ownership of risk management and is responsible for ensuring that risk management in the Group is applied in accordance with this risk management policy. The CFO of the Parent Company is responsible for monitoring risk management in the Group, ensuring effective risk management and managing the Group's risk management framework. The CFO is responsible for aggregating, analysing and compiling the Group's risk analysis and reporting to the Audit Committee and the Board of Directors.

All employees of the Group are responsible for complying with applicable policies and instructions and actively participating in risk work within their professional role. Employees must be informed about risk management and contribute to risk work. In the event that deficiencies or potential irregularities come to the knowledge of an employee, these must be communicated without delay to their immediate superior or in accordance with the Group's Whistleblower Policy.

The Group's principal strategic, operational and regulatory compliance risks are listed below. The financial risks and how they are managed are described in Note 21 Financial risks and risk management.

To Note 21 Financial risks and risk management

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Risk/Description	Management
Market and business climate	
Momentum Group's customers mainly comprise industrial companies, primarily in Sweden and to some extent Denmark, Norway and Finland. Accordingly, the earnings of the companies included in the Group are impacted by conditions in the Nordic economies, which means that demand for the Group's products and services could decline in a recession. A protracted period of low growth or an economic downturn could reduce demand for Momentum Group's products and services. In addition, the company may find it difficult in the short term to offset a temporary decrease in revenue in light of its semi-fixed costs. The rate of activity in end markets depends on multiple factors beyond Momentum Group's control including, but not limited to, local, regional and general economic conditions, which may in turn be impacted by, for example, global economic conditions, delivery disruptions affecting certain countries/industries, and the global security environment. Unfavourable changes with regard to one or all of these factors, or other factors, could have a significant impact on demand for the products offered by the companies in the Group, particularly in the form of reduced volumes.	Momentum Group consists of a number of subsidiaries with a focus on different geographic markets, which are active in different product verticals and have different offerings, including spare parts for the industrial sector, services in the form of service and repairs, technological systems and total-package solutions. In itself, the Group's structure thus represents a spread of risks. In addition, the Group applies a high level of decentralisation, which means that responsibility for business decisions lies close to customers and suppliers. The companies in the Group can therefore act rapidly in response to changes in the market. The companies also work continuously to adapt the offering, and to adapt their costs to specific conditions.
Structural changes and increased focus on sustainability	
Rapid technological development and new technological advances could change the competitive situation in the Group's market. Moreover, society in general is undergoing a transition resulting from an increased focus on sustainability, not least among the Group's end customers. When it comes to sustainability, there are also compliance risks that the Group must manage, such as sanction regulations, and new accounting and reporting requirements. Momentum Group's future competitive opportunities are impacted by the ability to offer customers digital sales channels, digital solutions for efficient transaction management as well as sustainable solutions and regulatory compliance. This is placing demands on the Group to develop solutions that satisfy the future needs of its customers and business partners as well as imposing increasing demands on the companies in Momentum Group to view sustainability as a natural part of their daily operations and to develop and offer products and services that meet these high expectations as well as increasingly remaining up to date regarding – and being able to measure and report on the basis of – existing regulations.	Through its companies, the Group continuously develops its offering, adding various types of digital tools as a way of increasing customer value, reducing transaction costs and increasing security. This is an important part of the development that we carry out in our operations. The requirements for sustainable solutions are resulting in higher demand for durable premium products that are subject to less wear. This is well aligned with the Group's various offerings, which focus on creating significant customer value with the least possible negative environmental impact. Through our structured work on industrial improvements, we have been able to demonstrate positive effects on the environment as well as the finances and work environments of our customers. The Group's companies primarily focus on trade and operations that have a limited direct impact on the environment. Limited manufacturing is conducted in the Group. The Group monitors its operations and environment-related risks through its sustainability reporting, and all companies comply with the Group's Code of Conduct. In conjunction with acquisitions, a sustainability analysis is also performed to identify risks and opportunities connected to structural changes in society. Training activities and follow-up are conducted continuously to ensure regulatory compliance. A more detailed description of Momentum Group's sustainability-related risks and its sustainability activities is available in the Group's Sustainability Report. **Read more in the Sustainability Report**

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Risk/Description	Management
Competitors	
The Group is active in markets that are subject to competition that may vary, depending on the geographic market, customer group and product segment. Customers are increasingly striving to limit their number of suppliers and initiate closer collaboration with these suppliers in order to jointly develop the value chain, focus on a value-added offering of products and services and thereby reduce the total cost for purchasing, stocking, administration and tied-up capital. Competition at the reseller level consists of local players, e-commerce resellers and international players. There is a risk that new players with financial strength could grow stronger, which could adversely impact the Group's operations through a loss of market share or through increased price pressure and reduced profitability and thus also have a negative impact on cash flow, earnings and financial position.	The Group endeavours to offer a range that prioritises value rather than price. By working closely with suppliers and customers, the Group continuously refines its expertise and competitiveness. We add value in the form of comprehensive technical knowledge, delivery reliability, service and availability, which limit the risk of reduced customer demand. To reduce the risk of competition from suppliers, we continually work to ensure that a partnership with the Group is the most profitable sales strategy. Thanks to the Group's focus on a number of different product verticals, no other player in the market can match Momentum Group's overall offering. The competitors that exist are often of a more local character and, in relation to them, we consider to Group to have a distinct competitive edge in the form of the depth and breadth of its offering as well as its availability, technical expertise and financial stability.
Dependence on suppliers and efficient logistics	
The Group purchases products that are sold to customers from a number of different suppliers. The Group's ability to offer its customers a wide range of products is dependent on its ability to safeguard a sufficient product supply at attractive prices from manufacturers and other suppliers. There is a risk that the Group will fail to identify and develop relationships with qualified suppliers who can meet its quality and price standards as well as the Group's demand for access to products and punctual deliveries in an efficient manner. Momentum Group's earnings and inventory levels may be impacted if it fails to promptly replace a supplier or in the event of the loss of, or a material decline in, the supply of products from Momentum Group's suppliers, or the loss of a key supplier; these factors could have a negative impact on the Group's operations, financial position, earnings and cash flow. Incorrect or delayed deliveries, or non-deliveries, could result in Momentum Group failing to deliver popular and/or ordered products. This could result in reduced sales of the Group's products, reduced customer satisfaction and potentially increased costs.	Suppliers are important to Momentum Group's ability to establish and retain its position in the market. The Group has agreements with the foremost suppliers to ensure high quality and availability of the goods that are procured and, from a longer-term perspective, it is not dependent on any single supplier. The companies in the Group often have long and close relationships with their key suppliers and often participate in training programmes and other forums to ensure that we have in-depth knowledge of the supplier's products and also to stay abreast of developments in the supply chain. For the supplier, Momentum Group is often a critical business partner in the local market, with high customer awareness and the ability to maintain good availability of the supplier's products. To uphold the Group's high standard in terms of business ethics, the Group's Code of Conduct for Suppliers must be complied with. A number of companies also implement specific supplier audits.

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Risk/Description	Management
IT security and cyber-related risks	
Momentum Group must maintain a well-functioning IT infrastructure to be able to ensure continuity and to improve the efficiency of the business. Shortcomings in cybersecurity can, for example, give rise to unforeseen and unauthorised access to the Group's internal IT environments, the supplier and distributor chain and/or the products connected online to Momentum Group. Information concerning products, agreements, selling prices and costs constitutes sensitive information that could become a target for cyberthreats. Although Momentum Group is mainly exposed to attacks from malicious software and blackmail trojans, cyber-related risks can also arise through the loss of information due to inadequate or incorrect internal processes, disruptions or technical defects, human error or natural catastrophes. Such risks could also arise among the Group's suppliers, distributors and other external parties with whom the Group interacts. Cyber-related threats represent a significant risk for Momentum Group since they could lead to business disruptions, the loss of important data, the loss of income and reputational damage, which could negatively impact Momentum Group's earnings.	Work conducted to prevent risks related to IT and cybersecurity include the preparation, establishment and implementation of IT and information security policies as well as continuous investments in the Group's IT environment. The companies in the Group work systematically to ensure that access security is in place in the form of firewalls, password protection and multi-factor authentication for critical systems. Backups are conducted regularly and all companies use various forms of antivirus protection. Software is updated in connection with upgrades to ensure that there are no security gaps that make us susceptible to hacking, and all hacking attempts are monitored. In the event that the Group commissions external partners to, for example, operate the IT environment, rigorous demands are placed on such partners' security procedures.
Acquisitions and goodwill	
Acquisitions are a crucial component of Momentum Group's growth strategy. The risks associated with acquisitions include the risk that the Group will not successfully achieve the anticipated gains from an acquisition and the risk that unknown contingent liabilities will not be identified during due diligence. There is also a risk that Momentum Group may not succeed in identifying suitable acquisition targets or may fail to implement acquisitions on favourable terms due, for example, to competition by other acquirers or a lack of financing. In addition, integration of acquisitions into the Group's existing operations may fail and the desired financial targets may not materialise. This could result in reduced or declining growth for Momentum Group and in the company failing to achieve its financial targets or strategic goals. Acquisitions may also expose Momentum Group to unknown liabilities. When acquiring companies, there is also the risk that the acquired companies could fail to meet Momentum Group's expectations or that sales may not develop in a manner that motivated the purchase consideration at the acquisition date. If the acquired operations do not perform according to plan, this could require the impairment of goodwill. The valuation depends on a stable performance and positive future return.	Momentum Group's management has long-standing and extensive experience of acquiring and pricing companies. All potential acquisitions and their operations are carefully assessed before the acquisition is implemented. We have well-established processes and structures for pricing, implementing and integrating acquired companies. In the agreements signed, we aim to obtain requisite guarantees for limiting the risk of unknown obligations. The large number of companies that are acquired represents a significant spread of risks. Impairment testing of goodwill is performed at least once annually and is based on the companies' business plans and realised earnings. Through close financial monitoring, deviations can be identified and rectified quickly in order to thereby reduce the risk of impairment losses.

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Risk/Description	Management
Organisation	
Momentum Group applies a decentralised organisational model, which means that the Group's subsidiaries are largely responsible for and pursue their operations independently within the framework of Momentum Group's overall strategy, targets and governance documents. The Group is dependent on the proficiency and expertise of its employees in the local markets. Although the company considers decentralisation to be a key element of its business model and a key to implementing Momentum Group's strategy, decentralisation shifts significant influence and decision-making to regional and local employees.	Momentum Group governs its subsidiaries through active board work, Group-wide policies, financial targets and instructions concerning financial reporting. By being an active owner and monitoring the subsidiaries' development, risks can be quickly identified and resolved in accordance with the Group's guidelines. The President & CEO or another member of Momentum Group's management team often serves as chairman of the respective subsidiary. In addition, the companies are monitored and measured against established targets. There is also an established process for internal control, including regular follow-ups.
Ability to recruit and retain employees	
Although Momentum Group consists of many employees, individual companies may in some cases depend heavily on the expertise of certain employees. This may pertain to individuals who possess a certain type of knowledge, experience and commitment. The Group's continued success is dependent on being able to retain these employees and to recruit new knowledgeable individuals. These involve key individuals among senior management and the Group's other employees. There is a risk that one or more senior executives or other key individuals may leave the Group on short notice, for example, due to stress, work environment issues or development opportunities. If the Group should fail to recruit suitable replacements for these individuals or new competent key individuals in the future, this could adversely impact the Group's operations, financial position and earnings.	The companies in the Group work to create conditions that are conducive to ensuring that employees develop and prosper in the Group. Part of the acquisition strategy involves ensuring that key individuals in newly added companies are motivated to independently continue to operate the companies as part of the Group. The Group conducts various types of employee-engagement surveys and has a systematic process for holding annual performance reviews designed to find out about the employees' perceptions of their employer, work situation, and areas for improvement and development. The Group's Business School focuses on both new employees and senior executives, and is intended to increase internal knowledge sharing, assist employees in their professional development and improve the corporate culture.

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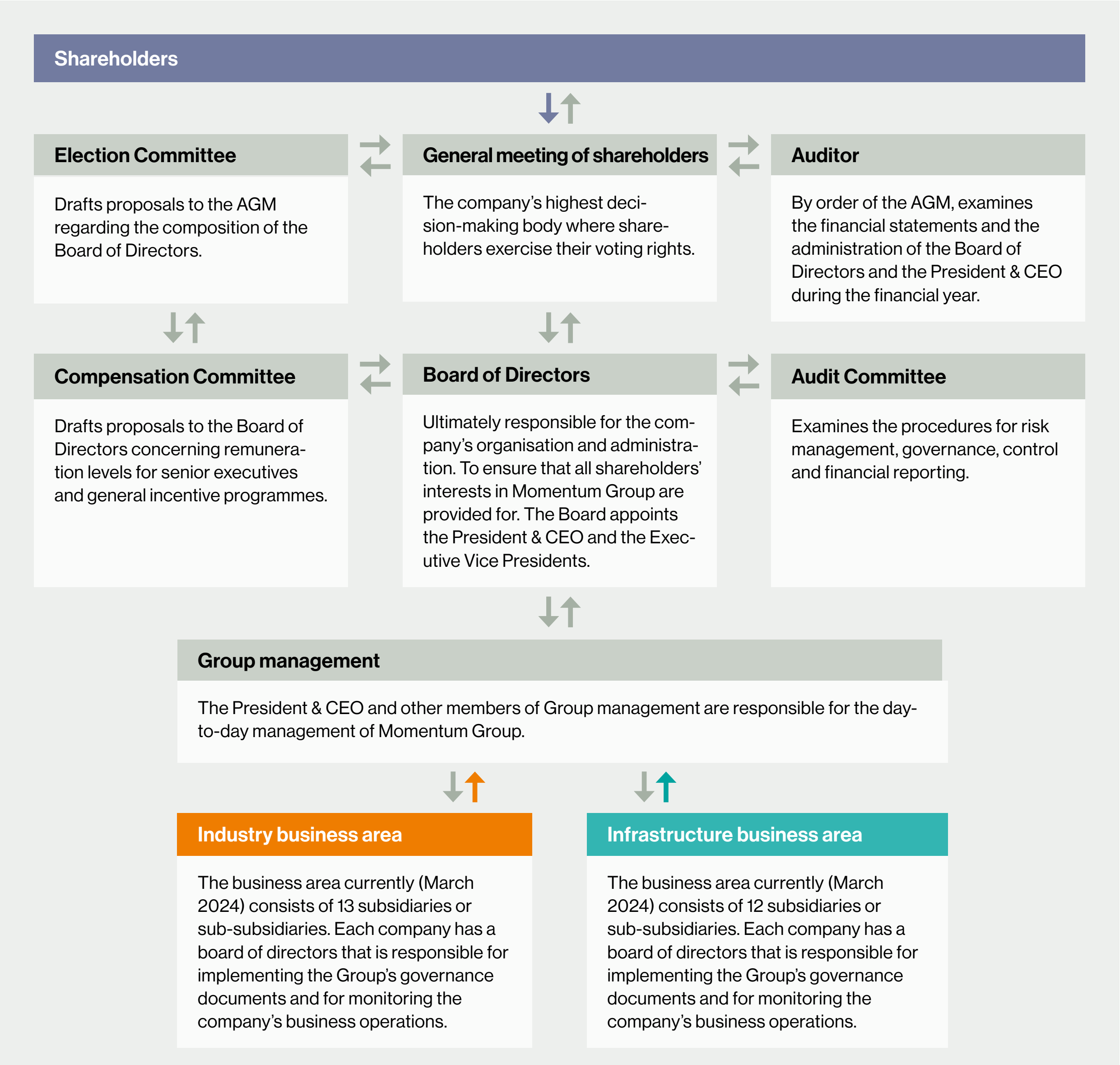
Corporate governance



Compliance with the Code

Momentum Group's shares are listed on Nasdaq Stockholm and the company therefore applies the Swedish Corporate Governance Code ("the Code"). Potential deviations from the Code and reasons for these deviations are to be reported continuously in the text. Momentum Group deviates in one respect concerning the section "Audit".

The Corporate Governance Report has been examined by the company's auditors.

Principles for corporate governance

Momentum Group endeavours to apply stringent standards and effective corporate governance processes in order to ensure that the business generates long-term value for the shareholders. The purpose of the company's corporate governance structure is to establish a clear distribution of roles and responsibilities between the owners, Board of Directors, Board committees and executive management. The company's corporate governance is based on external and internal control instruments, with the external instruments primarily comprising the Swedish Companies Act, regulations pursuant to the listing on Nasdaq Stockholm and generally acceptable practices on the stock market.

Shareholders

Momentum Group's shareholders' register is maintained by Euroclear AB. At 31 Decemb er 2023, Momentum Group had 5,518 (4,364) shareholders.

Read more in "Share and ownership"

Election Committee

Members of the Election Committee are nominated by the major shareholders in the company, whereby the four largest shareholders in the company on the final banking day in February are entitled to nominate one member each. The shareholder controlling most votes in the company is entitled to nominate the Chairman of the Election Committee. The Chairman of the Board is co-opted to the Election Committee (without voting rights) and coordinates the nomination procedure. The nominated members (including the Chairman of the Election Committee) are elected as members of the Election Committee by the company's Annual General Meeting for the period up until the end of the next Annual General Meeting.

See full instructions for the Election Committee

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The Annual General Meeting resolved on 9 May 2023 to appoint the following members to the Election Committee ahead of the 2024 Annual General Meeting: Pontus Boman (nominated by Nordstjernan), Stefan Hedelius (nominated by Tom Hedelius), Jens Joller (nominated by Ampfield Management) and Mattias Montgomery (nominated by Carnegie Fonder). Pontus Boman was appointed Chairman of the Election Committee. In September 2023, Mattias Montgomery, nominated by Carnegie Fonder, left the Election Committee prematurely. In line with the instructions for the Election Committee, the Election Committee resolved not to appoint a successor to Mattias Montgomery.

The Election Committee ahead of the 2024 AGM

Name	Representing	% of votes as of 28 Feb 2023[1]
Pontus Boman *Chairman of Election Committee*	Nordstjernan	51.2
Stefan Hedelius	Tom Hedelius	9.5
Jens Joller	Ampfield Management	6.0
Total		**66.6**

[1] Excluding shares repurchased by the company.

The role of the Election Committee is to draft proposals concerning election of the Chairman of the AGM, election of Chairman of the Board and other directors, resolutions concerning director fees, election of auditors and fees to be paid to auditors and, insofar as is deemed necessary, resolutions concerning amendments to the Election Committee's instructions. Shareholders are entitled to submit nomination proposals to the Election Committee.

Diversity policy

In drafting its proposal, the Election Committee has applied rule 4.1 of the Code as its diversity policy. This entails that the Election Committee based its proposal on the requirement that the composition of the Board is to be suitable taking Momentum Group's operations, stage of development and other circumstances into account. The Election Committee also took into account that the composition of the directors elected by the AGM was to be characterised by diversity and a breadth of qualifications, experience and background.

See the Election Committee's proposals for the 2024 AGM

General meeting of shareholders

The general meeting is the company's highest decision-making body, where the shareholders exercise their voting rights on key issues, such as the adoption of income statements and balance sheets, appropriation of profit, discharge of the directors and President & CEO from liability, election of directors and auditors, and remuneration of the Board and auditors. The AGM is to be held within six months from the close of the financial year. In addition to the AGM, Extraordinary General Meetings may be convened.

According to the Articles of Association, notice to attend a general shareholder meeting shall be issued by publishing a notice in Post- och Inrikes Tidningar and shall be made available on the company's website. An announcement that notice to attend has been issued shall simultaneously be published in Svenska Dagbladet.

2023 AGM

Momentum Group's Annual General Meeting was held on 9 May 2023 in Stockholm. At the Meeting, 36 shareholders were represented, in person, by proxy or by postal vote. These represented 74.5 per cent of the votes and 72.8 per cent of the capital. Johan Sjö was elected Chairman of the AGM.

All members of the Board of Directors and Group management were present at the Meeting. Authorised Public Accountant Helena Arvidsson Älgne, Auditor in Charge, was also present at the Meeting.

Resolutions passed at the AGM included:

- re-election of Johan Sjö, Anders Claeson, Ylva Ersvik, Stefan Hedelius and Gunilla Spongh as regular directors for the period up to the close of the next AGM,
- director fees are to be paid in an amount of SEK 640,000 (625,000) to the Chairman of the Board and SEK 255,000 (250,000) to each other regular member as well as a special fee of SEK 150,000 (150,000) to the Chairman of the Audit Committee,
- the re-election of KPMG as auditor for the period until end of the next AGM,
- auditor fees are to be paid in according to approved invoices,
- amendment of the Articles of Association to enable postal voting at general meetings,
- authorisation of the Board of Directors, prior to the next Annual General Meeting, to acquire a maximum number of Class B shares so that the Company's holding of treasury shares at no time exceeds 10 per cent of the total number of shares in the Company.
- authorisation of the Board of Directors to resolve to issue up to 10 per cent of the number of shares as payment of acquisitions,
- members of the Election Committee ahead of the 2024 AGM as outlined above.

See all documentation from the AGM

2024 AGM

Momentum Group's AGM will be held at 4:00 p.m. on 7 May 2024 in Stockholm. The Board of Directors' complete proposal to the AGM will be published in accordance with the Articles of Association.

Read more about the AGM

Board of Directors

Duties of the Board

The Board is the second highest decision-making body after the general meeting of shareholders. The Board of Directors is ultimately responsible for the company's organisation and administration of the company's affairs in the interests of the company and of all shareholders in accordance with the laws, regulations and agreements that the company is obligated to follow. Based on its analysis of the operating environment, the Board is also responsible for deciding on strategic matters.

Each year, the Board adopts written rules of procedure that regulate the work of the Board and its internal distribution of responsibility, including its committees and the distribution of responsibilities with internal business area boards, the procedure for resolutions within the Board, the agendas of Board meetings and the duties of the Chairman as well as instructions for financial reporting.

The Board has also issued instructions to the President & CEO, which grant the authority to make decisions regarding investments. The Board has also adopted a number of policies for the

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Group's operations, including policies in the areas of finance, related parties, internal control, risk, IT and information security, environment and quality as well as a Code of Conduct.

The Board of Directors oversees the work of the President & CEO through continuous monitoring of the operations during the year and is responsible for ensuring that the organisation and management as well as the guidelines for administration of the company are appropriate and that the company has adequate internal control and effective systems in place for monitoring and controlling the company's operations and compliance with legislation and regulations applicable to the company's operations. This issue is also specifically addressed each year at a Board meeting, without the presence of any member of executive management.

The Board is also responsible for decisions regarding acquisitions and divestments of businesses, major investments, repurchases of own shares, and appointment of executive management. The Board and the President & CEO present the annual accounts to the AGM.

Chairman of the Board

The Chairman of the Board is responsible for ensuring that the work of the Board is well organised and conducted efficiently and that the Board performs its duties.

In particular, the Chairman is responsible for organising and leading the work of the Board in a manner that creates the best possible conditions for the Board to conduct its work. It is the Chairman's task to ensure that the Board continuously updates its knowledge about the company, to ensure that the Board holds meetings as required and receives sufficient information and supporting data for its work, to propose an agenda for Board meetings in consultation with the President & CEO, to ensure that the decisions of the Board are carried out, and to ensure that the work of the Board is evaluated annually. The Chairman is responsible for all contact with the owners regarding ownership matters and for conveying feedback from the owners to the Board.

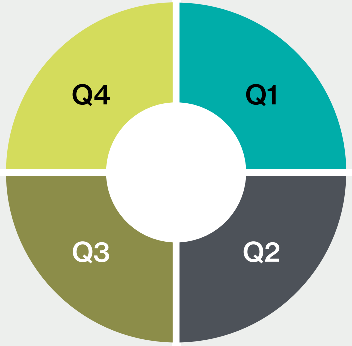
Composition and independence of the Board

According to Momentum Group's Articles of Association, the Board of Directors shall consist of at least three and not more than seven regular members who are elected annually at the AGM for the period until the close of the next AGM. The 2023 AGM re-elected Johan Sjö, Anders Claeson, Ylva Ersvik,

Board of Directors' work during the 2023 calendar year

- Acquisition and offsetting of treasury shares
- Target
- Transfer of own shares in conjunction with acquisitions
- Outcome, self-assessment
- Risk analysis
- Internal control framework
- Auditor's debriefing on internal control
- Interim report for the third quarter

- Year-end accounts and annual report
- Meeting with auditor
- General meeting of shareholders
- Auditor's debriefing on audit
- Year-end report
- Internal control and risk analysis



- Interim report for the second quarter
- Acquisitions
- Conveyance of own shares in conjunction with acquisitions
- Risk assessment and self-assessment form
- Target instructions

- Acquisitions
- Audit plan
- Statutory Board meeting
- Group policies
- Interim report for the first quarter
- Repurchase of own shares (mandate)
- Risk analysis

Board of Directors 2023

			Independent in relation to			Meeting attendance			
Name	Position	Year of election	Board and management	Major shareholders	Shares owned (Class B shares)	Board of Directors	Audit Committee	Compensation Committee	Fee, SEK
Johan Sjö	Chairman	2021	Yes	No	27,400	14 of 14	6 of 6	1 of 1	640,000
Anders Claeson	Director	2021	Yes	Yes	9,980	14 of 14	6 of 6	–	255,000
Ylva Ersvik	Director	2021	Yes	No	9,500	14 of 14	6 of 6	–	255,000
Stefan Hedelius	Director	2021	Yes	Yes	1,500	14 of 14	6 of 6	1 of 1	255,000
Gunilla Spongh	Director	2021	Yes	Yes	1,550	14 of 14	6 of 6	–	405,000

Stefan Hedelius and Gunilla Spongh. Johan Sjö was elected Chairman of the Board. A presentation of the Board of Directors is available in the section "Board and management". All directors are independent in relation to the company and its senior executives and three of the directors are also independent in relation to the major shareholders. The composition of the Board of Directors meets the independence requirements of the Code.

Work of the Board

The work of the Board of Directors follows an annual plan. In addition to the statutory meeting, which is held in conjunction with the AGM, the Board of Directors normally convenes on eight occasions each year (scheduled meetings) in connection with the publication of the Interim Reports and holds an annual strategy meeting. Extraordinary meetings are convened when necessary. Each meeting follows an agenda, which is

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distributed to the directors prior to each Board meeting along with supporting documentation.The decisions of the Board are made after discussions led by the Chairman of the Board. The task of the committees appointed by the Board is to draft proposals for resolutions by the Board (see below).

In 2023, the Board of Directors held 12 meetings including a statutory Board meeting as well as two meetings held by correspondence. In addition, one special strategy meeting was held. In addition to ordinary meetings, meetings were held in conjunction with acquisition decisions. The President & CEO presents reports at the Board meetings. The Group's CFO, Business Area Managers and other employees in the Group participate in Board meetings to report on specific issues.

Refer to the table above for information regarding attendance at Board and committee meetings.

Evaluation of Board work

The Board conducts an evaluation of its work annually under the supervision of the Chairman of the Board. The purpose of the evaluation is to further develop the Board's work formats, dynamics, efficiency and working climate as well as the main focus for the Board's work. This evaluation also focuses on access to and the need for special competencies on the Board. The evaluation includes interviews, joint discussions and individual discussions between the Chairman of the Board and individual directors. The Election Committee is informed of the results of this evaluation.

Compensation Committee

Momentum Group has a Compensation Committee consisting of Johan Sjö (Chairman) and Stefan Hedelius. Both Johan Sjö and Stefan Hedelius are independent in relation to the company and company management. The company thereby fulfils the requirements stipulated in the Code. Information on the Compensation Committee is presented in the rules of procedure for the Board, which are adopted annually. The Compensation Committee is to prepare proposals concerning remuneration principles and other terms of employment for senior executives, and to consult with the President & CEO concerning the remuneration of senior executives. The Compensation Committee is also tasked with monitoring and evaluating programmes for variable remuneration for senior executives and the application of the guidelines for the remuneration of senior executives, as adopted by the AGM. The Compensation Committee met once in 2023.

Audit Committee

The Audit Committee consists of the entire Board, and the work of the committee is to be conducted as part of the Board's work at scheduled Board meetings. Director Gunilla Spongh has accountancy and audit expertise and has been appointed Chairman of the Audit Committee.

The Audit Committee is to monitor the company's financial reporting, monitor the efficiency of the company's internal control and risk management with respect to its financial reporting, keep itself informed about the audit of the annual report and consolidated financial statements, review and monitor the impartiality and independence of the auditors and, in particular, whether the auditors have provided the company with services other than auditing services, and assist in the preparation of proposals regarding the election of auditors for resolution by the general meeting of shareholders. The Audit Committee shall consider possible recommendations for improving the internal control of financial reporting, including annually considering the need for an internal audit function in accordance with the Code.

In conjunction with the adoption of the annual accounts for 2023, the Audit Committee held a review and received a report from the company's external auditors. On this occasion, the Board of Directors also met with the auditors without the presence of the President & CEO or other senior executives.

The Audit Committee met six times in 2023.

Ethical guidelines

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

See Momentum Group's Code of Conduct

Audit

According to Momentum Group's Articles of Association, a registered accounting firm (or, alternatively, one or two authorised public accountants) is to be elected as auditor. At the 2023 AGM, KPMG was appointed as the company's auditor, with Helena Arvidsson Älgne as auditor-in-charge, for the period until the 2024 AGM. KPMG performs the audit of Momentum Group AB and most of its major subsidiaries.

The company's auditors follow an audit plan, which includes feedback from the Board and the Audit Committee, and reports its findings to the company management teams, company management and the Group's Board and Audit Committee during the course of the audit and in conjunction with the adoption of the annual accounts. The company's auditor also participates in the AGM, presenting and commenting on the audit work. The independence of the external auditors is regulated through special instructions established by the Board, which state the areas which may be addressed by the external auditors in addition to the normal audit work. KPMG continuously assesses its independence in relation to the company and provides the Board with written assurance of the auditing firm's independence in relation to Momentum Group each year.

Momentum Group deviates from rule 7.6 of the Code, which stipulates that the company's six-month report or nine-month report must be reviewed by the company's auditors. The reason for the deviation is that the company has determined that the additional expense that would be incurred by the company for an expanded review of the six-month report or nine-month report by the company's auditors is not warranted.

According to a resolution adopted by the 2023 AGM, director fees are payable according to approved invoices. During the 2023 financial year, the total remuneration to the company's auditors amounted to SEK 3 million (2), of which SEK 3 million (2) was attributable to the audit assignment.

Elected auditor KPMG

Helena Arvidsson Älgne

Auditor in Charge since 2020.
Born: 1962.
Authorised Public Accountant, Stockholm.
Member of FAR

Helena Arvidsson Älgne is also auditor-in-charge in Alligo, Beijer Alma, ICA Gruppen, Knowit, LKAB Studsvik, etc.

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CEO and Group management

President & CEO Ulf Lilius is responsible for leading the business in accordance with the Board's guidelines and instructions and ensuring that the Board receives information and necessary decision-making documentation. The President & CEO leads the work of company management, is a reporter at Board meetings and is to ensure that the directors are continuously provided with the information needed to monitor the company's and the Group's financial position, earnings, liquidity and development.

Group management, which comprises President & CEO Ulf Lilius and CFO Niklas Enmark, is presented in greater detail in the section "Board and management".

Operational organisation and governance

Until 31 December 2023, Momentum Group was organised in the Components and Services business areas. As of 1 January 2024, the business was divided into Industry and Infrastructure business areas. Components and Services. The division into business areas reflects Momentum Group's internal organisation and reporting system.

At 31 December 2023, Momentum Group consisted of 30 (17) companies, in addition to the Parent Company. The Group applies a decentralised model, whereby business decisions are made in close proximity to customers and suppliers. The operating activities are conducted independently within the subsidiaries, which assume responsibility for their own earnings and profitability, but within the framework of the Group's vision, business concept, strategic goals and governance documents. From a governance perspective, it is important to integrate the acquired companies into issues that are important to the Group, such as financial reporting, administrative procedures and shared core values. Each subsidiary has a board of directors in which the company's President & CEO and CFO are usually represented as reporters.

Read more in "Focus areas"

Remuneration of directors and senior executives

Remuneration to Board of Directors

The remuneration payable to the Board of Directors is determined by the AGM. The AGM on 9 May 2023 resolved that director fees up to the next AGM shall amount to SEK 255,000 for every AGM-elected director and SEK 640,000 for the Chairman of the Board. An extra fee of SEK 150,000 is to be payable to the Chairman of the Audit Committee, who is also a director. Otherwise, no remuneration is payable for committee work. Director fees paid in 2023 are presented in Note 4.

Remuneration of senior executives

It is the AGM that resolves on guidelines for executive remuneration. At the AGM on 11 February 2022, the Board of Directors' proposal concerning guidelines for the remuneration of the President & CEO and other senior executives was adopted.

The guidelines are designed so as to promote Momentum Group's business strategy, long-term interests and sustainability. Remuneration is to be in line with market conditions and comprise the following components: fixed salary, possible variable salary according to a separate agreement, pension and other benefits. A General Meeting of Shareholders may in addition – and independent of these guidelines – resolve on, for example, share and share price-based remuneration. The Board may resolve to derogate from the guidelines, either in full or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

Complete guidelines for determining remuneration and other terms of employment for senior executives as well as remuneration of senior management in the 2023 financial year are presented in Note 4.

Share-based incentive programmes

Each year, the Board of Directors shall assess the need for a share-based incentive programme and, when necessary, present proposals for resolution to the AGM. Resolutions on any share-based incentive programmes for senior executives shall be made by the general meeting of shareholders and contribute to long-term value growth.

Momentum Group currently has no share-based incentive programmes.

Systems for internal control and risk management in financial reporting

Internal control

The Board's responsibility for internal control is governed by the Swedish Companies Act, the Swedish Annual Accounts Act and the Code.

The Board is responsibility for ensuring that the company has reliable internal control and formalised procedures to ensure compliance with established reporting and internal control principles, and that there are appropriate systems for follow-up and control of the company's operations and the risks associated with the company and its operations. The procedures for internal control of financial reporting have been designed to ensure reliable overall financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations as well as other requirements for listed companies. Within the Group, the entire operation is subject to internal control, with internal control of financial reporting playing a key role.

Internal governance and control regarding financial reporting within the Group builds on a structure of steering documents, risk analyses, processes and defined roles and areas of responsibility as well as related controls in various forms. This structure is based on the internationally accepted framework COSO (the Committee of Sponsoring Organizations of the Treadway Commission). COSO is built on five interrelated components, which combine to form the basis of good internal governance and control. The starting point for the framework is that the Group has a structured method for identifying and analysing significant risks, which in turn, has an impact on the design of the components included.

A review and assessment of each component is to be made annually. Based on this review, certain development areas are identified, which are prioritised in the ongoing work on internal control, and when action plans are prepared.

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Risk analysis

Risk assessment serves as the foundation for internal governance and control as well as the starting point for the controls that are designed, documented and continuously evaluated. The Group has established an annual process for business-wide risk assessment aimed at giving the Board of Directors and Group management greater insight into the risks to which the organisation is exposed.

For risks related to financial reporting, the risk analysis is carried out on the basis of a Group perspective and involves the Audit Committee, which provides input. The most significant risks as well as their assessed likelihood and consequences on the financial outcome are identified. Risk assessment is also carried out based on the key processes established by the Group. In conjunction with the annual analysis, a review is also to be carried out of whether the key processes reliably identify and manage the significant risks.

The process for risk assessment of significant risks, risk assessment connected with key processes, and measures (see below) is in place to ensure that the risks to which the operations are exposed are managed as part of the Group's internal governance and control.

Control environment

Based on the risk analysis, the control environment serves as the basis for the Group's internal control and comprises the way in which the Board of Directors and management act and establish "the tone at the top", distribute responsibility and authority within the organisation, provide information on the operations' goals, and convey the overall values related to internal control.

The control environment entails creating a healthy risk culture and is made tangible through factors such as the corporate culture, integrity, ethics, competence, management philosophy, organisational structure, authority and responsibility as well as related steering documents and instructions. A significant part of the control environment involves identifying processes for managing the identified risks.

Control activities

All operations within the Group must ensure that there are relevant controls to reduce the identified risks to an acceptable level. Controls can be of a preventive or investigative character, automated or manual. The aim is to have a cost-effective composition and controls that are adapted to the operations' conditions and risk tolerance. Controls are to be identified for each identified significant risk or risk related to the Group's key processes.

As part of the annual evaluation, an evaluation should also be carried out to determine whether the controls or other mitigating measures are deemed to be adequately and correctly designed and that the controls themselves function and are carried out as designed.

Communication and information

There is to be a well-functioning two-way communication and information flow between the Board of Directors and management as well as with the Group's employees. This communication must function between all levels of the organisation.

A key part of the internal control work is to ensure effective dissemination of relevant information to internal and (relevant) external stakeholders. Group management is to ensure that all applicable policies and guidelines are made available to the relevant parties. Additionally, information is exchanged continuously between Group management and all of the subsidiaries within the framework of ordinary monitoring activities and internal Board meetings. A key part of this involves communicating with the subsidiaries with respect to the controls for which they are responsible.

Follow-up

Through follow-up activities, an evaluation is carried out to determine whether each of the five components of internal control exists and functions. The Group uses self-assessments to evaluate the relevance and effectiveness of the internal control as well as establishing whether control activities exist and are effective. Self-assessments are conducted at least once annually and their results are reported to Group management and the Board of Directors' Audit Committee.

Internal audit

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

Non-compliance

There were no infringements of applicable stock-exchange rules during 2023 and Momentum Group's operations were conducted in accordance with generally acceptable practices in the stock market.

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Board of Directors

Johan Sjö

Chairman of the Board since 2021

Born: 1967

Education: M.Sc. Econ.

Other current assignments: Senior Advisor at Nordstjernan. Chairman of the Board of AddLife and Dacke Industri. Director of Alligo, Camfil and M2 Asset Management.

Previous assignments: Investment Director and responsible for the Distribution and Trade sector at Nordstjernan AB, President & CEO of Addtech, senior positions in the Bergman & Beving Group and Alfred Berg/ABN Amro. Chairman of the Board of Addtech, Bergman & Beving, OptiGroup and Prosero Security Group. Director of Addtech and Bufab.

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: No.

Shares owned: 27,400 Class B shares (own holding).

Anders Claeson

Director since 2021.

Born: 1956.

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

Other current assignments: Director of Lagercrantz Group and A Claeson Consulting Company.

Previous assignments: Deputy CEO of Addtech and President of Addtech Nordic. Chairman of the Board or director of a number of subsidiaries within the Addtech Group.

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: Yes.

Shares owned: 9,980 Class B shares (own holding).

Ylva Ersvik

Director since 2021.

Born: 1988

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

Other current assignments: Investment Manager at Nordstjernan.

Previous assignments: Deputy Director of Boyd Wardley.

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: No.

Shares owned: 9,500 Class B shares (own holding).

Stefan Hedelius

Director since 2021.

Born: 1969.

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

Other current assignments: Director and CEO of Human Care HC AB. Director of AddLife, Alligo and Praktikertjänst.

Previous assignments: CEO of Note AB, Vice President Brand and Marketing at SAS and senior positions in the Ericsson Group, including Vice President Marketing and Communications, Head of Strategy and Marketing, and Vice President of Ericsson Austria.

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: Yes.

Shares owned: 1,500 Class B shares (own holding).

Gunilla Spongh

Director since 2021.

Born: 1966

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

Other current assignments: Chairman of Bluefish Pharmaceuticals. Director of Dacke Industri, Systemair, AQ Group, Lernia, Byggmax Group, OptiGroup, Consivo Group, Meds Apotek and ViaCon Group.

Previous assignments: Director of Alligo, Infranord and B&B TOOLS.

Independent in relation to the company and management: Yes.

Independent in relation to major shareholders: Yes.

Shares owned: 1,550 Class B shares (own holding).

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Group management

Ulf Lilius

President & CEO since 2021.

Born: 1972

Education: B.Sc. Econ.

Work experience: President & CEO of B&B TOOLS AB. President & CEO of Momentum Industrial. Senior positions at Momentum Industrial and SKF.

Shares owned: 2,688 Class A shares and 454,370 Class B shares (with family). Call options corresponding to 209,916 Class B shares.

Niklas Enmark

Executive Vice President and CFO since 2021.

Born: 1972

Education: M.Sc. Econ.

Work experience: CFO of Axel Johnson International AB. Executive Vice President & CFO of Lagercrantz Group AB. Investment Manager at Investor Growth Capital.

Shares owned: 65,493 Class B shares (own holding). Call options corresponding to 104,958 Class B shares.

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Share and ownership

Share price development and trading volume

Momentum Group's Class B share (ticker MMGR B) was listed on Nasdaq Stockholm on 31 March 2022.

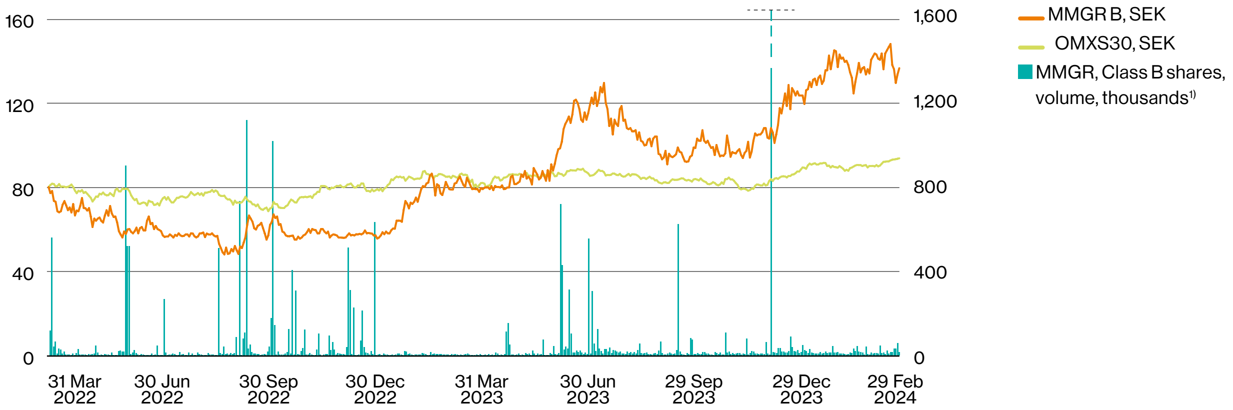
The closing price at the end of the financial year was SEK 130.50 (58.51), corresponding to a market cap of SEK 6,588 million (2,880). The highest price paid during the year was SEK 138.50 which was quoted on 30 November 2023. The lowest price paid during the year was SEK 57.57 which was quoted on 2 January 2023. See the share price performance of the Class B share since the separate listing in the diagram to the right.

During 2023, approximately 11.3 million (11.4) Momentum Group shares were traded at a total value of about SEK 1,199 million (667). In relation to the average number of Class B shares out-standing, this corresponds to a turnover rate of approximately 23 per cent (23). Broken down by trading day, an average of approximately 45,210 (58,726) shares were traded at an average value of about SEK 4.5 million (3.4).

Share capital

As of 31 December 2023, the company's registered share capital amounted to SEK 25,240,444.50, distributed between 50,480,889 shares, of which 564,073 were Class A shares and 49,916,816 were Class B shares each with a quotient value of SEK 0.50. 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 Nasdaq Stockholm. A conversion provision in the Articles of Association allows for conversion of Class A shares into Class B shares.

Share price development since listing



[1] On 15 November 2023, the principal owner Nordstjernan divested 4.9 million Class B shares. The buyers included Third AP Fund, Lannebo Fonder and Case Kapitalförvaltning.

Class of share	No. of shares	No. of votes	% of capital	% of votes
Class A shares (10 votes/share)	564,073	5,640,730	1.12	10.15
Class B shares (1 vote/share)	49,916,816	49,916,816	98.88	89.85
Total number of shares before repurchasing	**50,480,889**	**55,557,546**	**100.00**	**100.00**
Less: Repurchased Class B shares	–1,083,026			
Total number of shares after repurchasing	**49,397,863**			

No. of shareholders	Of which, small-scale savers	Foreign ownership	Fund ownership	Free float
5,518 (4,364)	**5,177** (4,109)	**25%** (17%)	**31%** (22%)	**50%** (41%)

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Repurchase of own shares

Supported by the authorisation granted by the 2022 and 2023 AGMs, the Board of Directors of Momentum Group decided to repurchase own shares. The purpose of the repurchase is to be able to adapt the Group's capital structure and to pay for future acquisitions of businesses and operations using treasury shares. At year-end 2023, Momentum Group's holding of Class B treasury shares totalled 1,259,624 shares. No shares were repurchased in 2023.

During the third quarter, the Group acquired Conclean AB, which was partly financed through the transfer of 154,830 own Class B shares to the seller at a price of SEK 93.80 per share. During the fourth quarter, the Group acquired Swerub AB, which was partly financed through the transfer of 21,768 own Class B shares to the seller at a price of SEK 114.84 per share. These prices correspond to the volume-weighted average price for the company's Class B share on Nasdaq Stockholm during the ten trading days immediately preceding the closing date.

As of 31 December 2023, the number of Class B treasury shares amounted to 1,083,026, corresponding to 2.15 per cent of the total number of shares and 1.95 per cent of the total number of votes.

Share-based incentive programmes

Momentum Group currently has no share-based incentive programmes outstanding.

Dividend

Momentum Group's dividend policy states that at least 30 per cent of earnings per share is to be distributed over a business cycle.

The dividend proposed by the Board of Directors for the 2023 financial year is SEK 1.10 per share, corresponding to a total of SEK 54 million. The pay-out ratio is 32 per cent of earnings per share.

Ownership structure

As of 31 December 2023, Momentum Group had 5,518 (4,364) shareholders. Institutional investors, such as mutual funds, insurance companies and pension funds in Sweden and abroad, owned approximately 81 per cent (78) of the total number of shares. The proportion of foreign ownership was approximately 25 per cent (17) of the total number of shares.

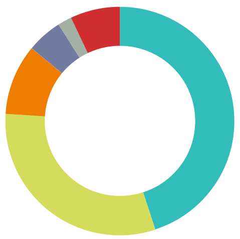
The tables and the diagram below and to the right show the ownership structure on 31 December 2023.

Ownership structure, based on holding

No. of shares	% of capital	No. of owners	% of owners
1–500	0.89	4,594	83.27
501–1,000	0.61	397	7.20
1,001–5,000	1.53	368	6.67
5,001–10,000	0.81	54	0.98
10,001–100,000	4.98	73	1.32
100,001+	89.30	31	0.56
Unknown	1.88	N/A	N/A

Owner concentration	% of capital	% of votes
10 largest shareholders	78.43	71.27
25 largest shareholders	86.16	86.65
30 largest shareholders	89.09	89.47

Type of owner



Largest shareholders

Shareholders	Class A shares	Class B shares	% of capital	% of votes
Nordstjernan	213	22,876,641	45.32	41.18
Tom Hedelius	513,124		1.02	9.24
Ampfield Management		4,759,748	9.43	8.57
Fidelity Investments (FMR)		3,965,300	7.86	7.14
Third AP Fund		2,000,000	3.96	3.60
Lannebo Fonder		1,735,915	3.44	3.12
Momentum Group AB[1]		1,083,026	2.15	1.95
Handelsbanken Fonder		977,212	1.94	1.76
Sandrew AB		800,000	1.58	1.44
Foord Asset Management Ltd		746,190	1.48	1.34
Dimensional Fund Advisors		640,959	1.27	1.15
Enter Funds		583,311	1.16	1.05
REQ Capital AS		503,371	1.00	0.91
Case Kapitalförvaltning		500,000	0.99	0.90
Ulf Lilius	2,688	454,370	0.91	0.87
Paradigm Capital AG		322,923	0.64	0.58
SEB Fonder		274,898	0.54	0.49
La Financière de l'Echiquier		273,585	0.54	0.49
Total largest shareholders	**516,025**	**42,497,449**	**85.21**	**85.78**
Other	**48,048**	**7,419,367**	**14.79**	**14.22**
Total	**564,073**	**49,916,816**	**100.00**	**100.00**

[1] Pertains to own holdings.

Source: Monitor by Modular Finance AB. Data compiled from sources such as Euroclear, Morningstar and the Swedish Financial Supervisory Authority.

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Example of an industrial improvement

A solution to downtime and waste

Momentum Industrial's customer in the food industry had problems in its packaging production with a so-called squeezer wheel – a wheel with a rubber ring that presses on the edges when cartons are glued together. The wheel has a rubber ring glued to it, which wears and detaches from the metal bushing, leading to unnecessary downtime and waste.

A solution to the problem presented itself in the form sister company Etab's seal production company Momseal. The company developed the wheel and customised a new clamping rubber made from H-ECOPUR, which has excellent friction and abrasion properties.

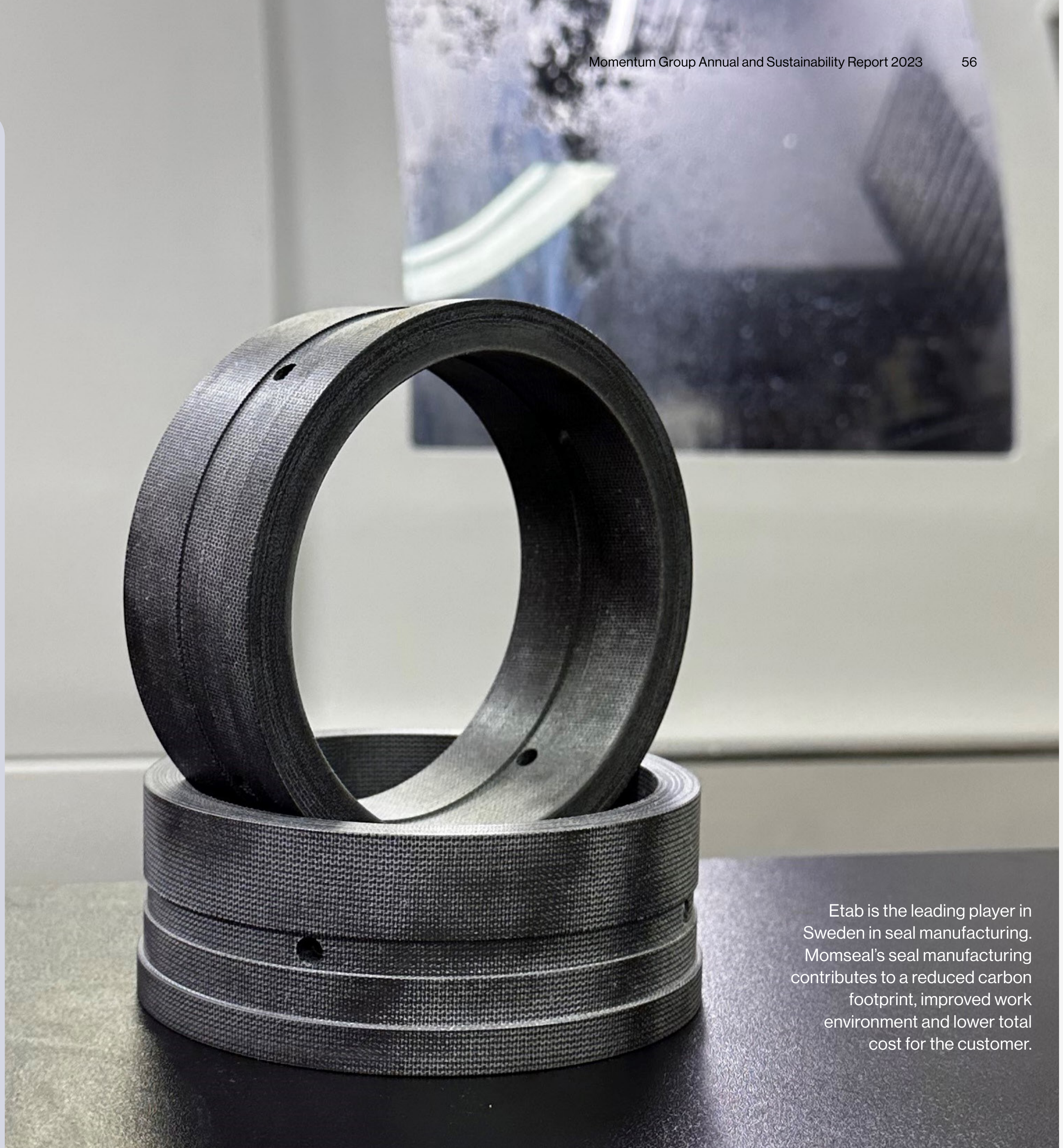
The solution led to a significant improvement in machine availability, with fewer wheel changes and unplanned downtime and therefore less product waste.

Work environment and economy

Fewer wheel changes and unplanned downtime.

Environment and economy

Fewer purchases of new wheels and less product waste.



Etab is the leading player in Sweden in seal manufacturing. Momseal's seal manufacturing contributes to a reduced carbon footprint, improved work environment and lower total cost for the customer.

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Sustainability report

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

We aim to be a company that conducts its business as a responsible member of society, promotes health and safety, respects human rights, and takes responsibility for improving the environment with the aim of achieving sustainable development. Simply put, sustainability is a prerequisite for long-term profitability. Achieving this goal will require, for example, a sustainable offering, responsibility for the working conditions in the supplier chain, dedicated employees who enjoy working for their employer and efficient transport. Sustainability creates business benefits in the form of more loyal customers, more satisfied employees, stronger relationships with suppliers and better products.

About the Sustainability Report

The Group's Sustainability Report is intended to document the sustainability initiatives that have long been pursued in the various operations in the Group, and is built on Momentum Group's continual dialogue with our various stakeholders concerning which sustainability issues are the most essential for the Group.

Momentum Group has prepared the Company's Sustainability Report for the 2023 financial year, which covers the Parent Company, Momentum Group AB (publ), corporate registration number 559266-0699, and all of its operational subsidiaries. The Sustainability Report has been prepared in accordance with Chapter 6 of the Annual Accounts Act. In preparing the Sustainability Report, guidance has been taken from existing practices and guidelines for fulfilling the requirements of the Swedish Annual Accounts Act with respect to sustainability reporting. No standard for sustainability reporting has been applied in full. In signing the 2023 Annual Report, the Board of Directors of Momentum Group AB also approved the Sustainability Report. The auditor's opinion regarding the statutory Sustainability Report can be found on page 117.

All reported performance measures are a compilation of values reported from the subsidiaries. In several areas, the various business areas and companies have their own targets and performance measures to monitor, in addition to those presented below for the Group as a whole.

Division of the report into three sustainability perspectives

Current requirements in the Annual Accounts Act regarding sustainability reporting require companies to inform of the consequences of their operations in four areas: environment, social conditions and employees, respect for human rights, and anti-corruption efforts. Momentum Group has chosen to divide its sustainability report into three different sustainability perspectives, which together cover information on what is considered the Group's most significant sustainability issues and include reporting within the four statutory areas.

Our three sustainability perspectives:

Social sustainability

Financial sustainability

Environmental sustainability

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Adaptation to ESRS

During the year, we started a process of adapting our sustainability reporting and sustainability strategy to the new requirements of the EU Corporate Sustainability Reporting Directive (CSRD) and the adopted European Standards for Sustainability Reporting (ESRS). Training has been carried out for the Board of Directors, management team and other key functions as well as a double materiality analysis including stakeholder analysis. This work has led to the identification of a number of sustainability topics and ESRS standards as material. The analysis will be processed in more detail in 2024 and will form the basis for the development of our sustainability strategy and future reporting.

At the beginning of 2024, we conducted a gap analysis of the ESRS requirements against our current reporting, and work began on developing an action plan for the measures needed to meet the requirements.

Read more in Stakeholder dialogue and materiality analysis

Governance and responsibility

The UN SDGs and Global Compact as well as Momentum Group's internal governance documents form the basis for the Group's sustainability work. Governance documents include the Code of Conduct and policies for work environment, equal treatment, and environment and quality. Established policies for a whistleblower function and the processing of personal data also relate to this area.

Momentum Group AB's Board of Directors has overall responsibility for annually establishing Group-wide policies for such areas as the environment and work environment, ethical guidelines, quality and corporate social responsibility. Sustainability initiatives are led by Group management, business area management and other senior executives, with support from the sustainability, quality and HR managers in the Group companies.

The currently applicable Group-wide policies, with guidelines for the work of the operations in areas such as the environment and quality, and a joint Code of Conduct, were adopted by the Board on 17 March 2022. The guidelines in these policies constitute the minimum requirements that all businesses and employees are to meet. Based on these, the different units of the Group develop customised goals and action plans.

Risk management

Within the Group, we continuously conduct risk assessments at different levels. We analyse operational, strategic, financial and legal risks. The risk assessment covers both internal factors and external factors in our business environment from an outside-in perspective, which involves showing how sustainability-related risks impact Momentum Group and our financial outcome.

Sustainability is included in a natural way in the risk assessments and subsequent measures. Our diversified work on risks and opportunities enables us to adopt a risk-based approach in our business control.

Read more in Risks and risk management

Sustainability is an integral part of our business model

Our mission and vision are based on offering customers sustainable products and services. Sustainability thus comprises a natural part of the daily operations, where acting responsibly toward the companies' stakeholders is entirely natural. We adopt a broad view of sustainability, which means that the Group and its various operations must accept responsibility for our impact on our surroundings based on social, environmental and financial considerations.

Mission

Together for a sustainable industry.

Vision

The customer's best sustainable choice.

Business concept

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

Read more in Business model, goals and strategies

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Global framework is the basis for our sustainability work

Like many others, Momentum Group has undertaken to work actively to enforce Agenda 2030 and the UN SGDs. These 17 goals function as a global framework for sustainable development. All global goals are important to Momentum Group – but in order to focus and work proactively, a prioritisation is needed. We, as a Group, have decided to focus on the following three SGDs in areas where we believe we have the greatest potential to contribute. In the Group, the subsidiaries are free to choose additional SGDs and to pursue initiatives within their quality and environmental certifications.

Goal 8 Sustainable workplaces

Momentum Group aims to be a sustainable workplace where health, safety, equal treatment and the work environment are in focus. Human rights and labour law are of central importance in our value chain. In practice, this SDG is managed through our subsidiaries' systematic work environment efforts and our Code of Conduct.

Decent labour conditions promote economic growth that is achieved without environmental damage, unsafe work and work environments, improprieties and irregularities.

Our focus

Work to ensure sustainable workplaces in our value chain.

What it means to us

- A safe work environment that promotes good health.
- Opportunities for the development of competencies and work methods.
- Participate actively in the society where we are active.
- Act responsibly in business.
- Good work conditions in our value chain.

Measurable targets

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

Outcome 2023

Number of employees who had performance reviews: 83% (77).

Goal 9 Sustainable industry

Our contribution to achieving SDG 9 lies in our business concept. This is something our companies work towards every day and that takes the tangible form of the industrial improvements implemented by our companies. By developing our offerings and through skills development, our employees can help customers to make more decisions that contribute to making the industry more sustainable. Examples include more efficient resource usage and more eco-friendly techniques and industrial processes.

Our focus

Working for a sustainable industry by increasing the proportion of purchases from sustainable suppliers and by implementing our industrial improvements throughout the Group.

What it means to us

- Long-term partnerships for sustainable products and services.
- Helping the customer make sustainable choices.
- Offer sustainable products and services with a long life.
- Extend service life of machinery and production facilities.

Measurable targets

- Increase the proportion of purchases of products and services from CoC-classed suppliers every year.
- Increase the number of industrial improvements (new goal).

Outcome 2023

- Share of purchases from CoC-classed suppliers: 72% (71).
- Number of new industrial improvements: 555.

Goal 13 Minimising the climate impact

The impact of climate change is already visible and will become catastrophic unless we act now. Through training, innovation and compliance with our climate obligations, we can make the changes necessary to protect the planet. We work to achieve SDG 13 both directly in terms of the emissions generated from our own operations and indirectly in terms of the emissions that arise in other parts of the value chain. Emissions are primarily associated with how we travel. We influence indirect emissions through our purchases, our transport and, not in the least, the influence we have on our customers to make decisions that result in a reduced climate impact in their production.

Our focus

Minimise the climate impact in our value chain.

What it means to us

- Our products and services can demonstrate a quantifiable reduction in climate impact for our customers.
- Smart transportation.
- Purchases of fossil-free or climate-neutral electricity.

Measurable targets

- The Group aims to achieve an annual reduction of carbon emissions from company cars in accordance with the policy for these cars.
- Increase the proportion of fossil-free/climate-neutral electricity procured by the Group.

Outcome 2023

- Reduction in carbon emissions from company cars (grCO_2 per kilometre driven): –1% (–7).
- Proportion of fossil-free/climate-neutral electricity: 93% (75).

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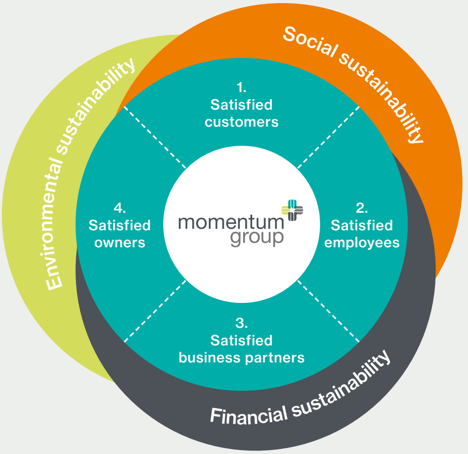
Our stakeholder model



Sustainability based on social, financial and environmental responsibility is the core of our business and the starting point for how we govern and monitor our operations.

Social sustainability

Based on the idea that everyone – both companies and private individuals – has a responsibility for creating a well-functioning society. For the Group, this includes contributing to economic security by creating jobs, ensuring that there is a life after work by providing safe and healthy work environments, promoting well-being by providing safe and healthy products, and contributing to the long-term development of the local community.

Financial sustainability

Based on the idea of being a long-term profitable and sustainable company by acting correctly. The operations do business in an ethical manner, which encompasses anti-corruption, compliance with competition law, good tax ethics and signing correct contracts. The Group creates jobs for its employees, which leads to increased welfare, and long-term profitability provides the potential to reinvest and generate value for the shareholders.

Environmental sustainability

Based on the idea of minimising the impact on nature based on what nature can withstand. For the Group, this includes working proactively to minimise our negative environmental impact – for example, through lower carbon emissions, reduced energy consumption and fewer chemicals – as well as actively helping our customers and partners/suppliers to reduce their environmental impact.

Our stakeholders – Our Four Satisfied Groups

The starting point for our stakeholder model is satisfied customers. Having satisfied customers increases the potential for other stakeholders to be satisfied.

1 Satisfied customers

- Our focus is to help our customers to improve their work environment, reduce their environmental impact and reduce their total cost.
- We offer customers optimal overall finances through solutions backed by in-depth customer insight and good availability, high-quality products and services, and a high level of expertise.
- We develop and offer products and services that meet our customers' expectations in terms of function, quality, safety, environmental impact and supply reliability.
- We focus consciously on service and maintenance to extend the useful lives of the products and thereby to reduce the customers' total costs.
- Continuous development of work related to service level and availability, development of the product range and services, and training/skills development.

2 Satisfied employees

- We work actively to achieve a sustainable workplace that is attractive and has dedicated employees.
- We offer a healthy physical and psychosocial work environment, opportunities for skills and performance development, and attractive and competitive terms and conditions.
- The ongoing skills and performance development of the Group's employees occurs at the business area and company level through various types of targeted training programmes in such areas as successful sales and performance development.

3 Satisfied business partners

- We want to engage in long-term collaborations with partners that contribute to creating a sustainable industry from a social, environmental and financial perspective.
- We develop strong offerings for the Group's market channels.
- We act professionally, honestly and ethically, based on the Group's Code of Conduct.
- We minimise risks with a focus on labour conditions, occupational health and safety, and environmental impact.
- Through collaboration, we have a positive impact on our suppliers' overall development – based on daily contact and the Group's Code of Conduct.

4 Satisfied owners

- We aim to create a long-term sustainable and profitable business by taking social, environmental and financial aspects into account in our business and decision-making processes.
- We create shareholder value by focusing on growth and long-term profitability.
- We minimise business risks through active and appropriate corporate governance.
- We work to achieve transparency and a high level of availability in our relationships with investors and shareholders.

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Stakeholder dialogue and materiality analysis

In order to focus our efforts and prioritise the right sustainability areas, we update our materiality analysis annually. In the autumn of 2023, we conducted a double materiality analysis based on the requirements of the CSRD for the first time.

Stakeholder dialogues
As input to the materiality analysis, we conduct stakeholder dialogues with our prioritised stakeholder groups – employees, customers, partners and owners, which we call "Our Four Satisfied Groups".

The stakeholder dialogue is a systematically structured process based on different sustainability perspectives where we ensure that all selected stakeholders express their opinion on the same sustainability aspects. The dialogues give us an in-depth understanding of their views on our sustainability work and help us to prioritise our focus areas.

The stakeholder dialogues are based on the sustainability aspects of the ESRS standards that are relevant to Momentum Group and follow an established methodology. These dialogues are part of our overall sustainability work and form the basis for our materiality analysis.

Double materiality analysis
The double materiality analysis is carried out to identify important sustainability issues, i.e. the areas that it is particularly important for us to work with. The analysis helps us identify the most important issues in the sustainability work in a structured way. The stakeholder analysis complements the materiality analysis with an "outside perspective", i.e. what sustainability areas the outside world want the business or player to work with.

The assessment criteria in the double materiality analysis, carried out in the autumn of 2023, were set based on the EU standard's guiding proposals and Momentum Group's and its subsidiaries' existing working methods (such as environmental aspects, assessment and risk analysis). The assessments were made on the basis of how impact, risk and opportunity look like today, and then any adjustments were made to the assessment for impact, risk and opportunity from a 5–10 years' perspective.

ESRS	Sustainability topic	Sub-topic
E1	Climate change	Climate change adaptation
		Climate change mitigation
		Energy
E5	Circular economy	Resources inflows including resource use
		Resource outflows related to products and services
S1	Own workforce	Working conditions (secure employment, health and safety)
		Equal treatment and opportunities for all (training and skills development)
G1	Business conduct	Corporate culture
		Management of relationships with suppliers including payment practices

Work process for the double materiality analysis
- Preparation of a gross list of sustainability aspects.
- Discussion and decisions on relevant/non-relevant sustainability aspects with the project group.
- Preparation of assessment data, assessment criteria and thresholds for consequential impact and financial impact.
- Implementation of the first preliminary assessment of the consequential impact and financial impact and discussion in the project group.
- Implementation of impact assessment and financial impact at a workshop with representation from all business units as well as people from management, finance and sustainability.
- Final compilation and documentation of material sustainability aspects.
- Validation in the Board of assessment data and results.

As a result of this work, a number of sustainability issues and ESRS standards have been identified as material. The analysis will be processed in more detail in 2024 and will form the basis for the development of our sustainability strategy and future reporting.

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A responsible value chain

We consider a focus on sustainability to be a prerequisite for long-term profitability and growth since it also creates business opportunities. To be able to realise this, we adopt a holistic approach that encompasses the entire value chain – backward in relation to the suppliers (such as through selection and requirement specifications), inward towards ourselves (such as through a sound work environment based on equal opportunity and respect) and forward in relation to the customers (such as through business ethics and by helping the customer to make sustainable product choices).

Acquisition of sustainable companies
When acquiring new companies, we integrate sustainability issues as part of our due diligence process. Through a meticulous analysis, we assess the company's impact on environmental, social and corporate governance. This includes evaluating the company's sustainability performance, compliance with laws and regulations, and future opportunities and risks. By involving the sustainability perspective from the start, we strive to ensure a sustainable and responsible business in line with our values and overall strategy.

← Backward — Inward — Forward →

A sustainable supply chain

Long-term partnerships for sustainable products and services

Our suppliers must act responsibly in accordance with our Code of Conduct.

A sustainable workplace

A safe work environment that promotes good health

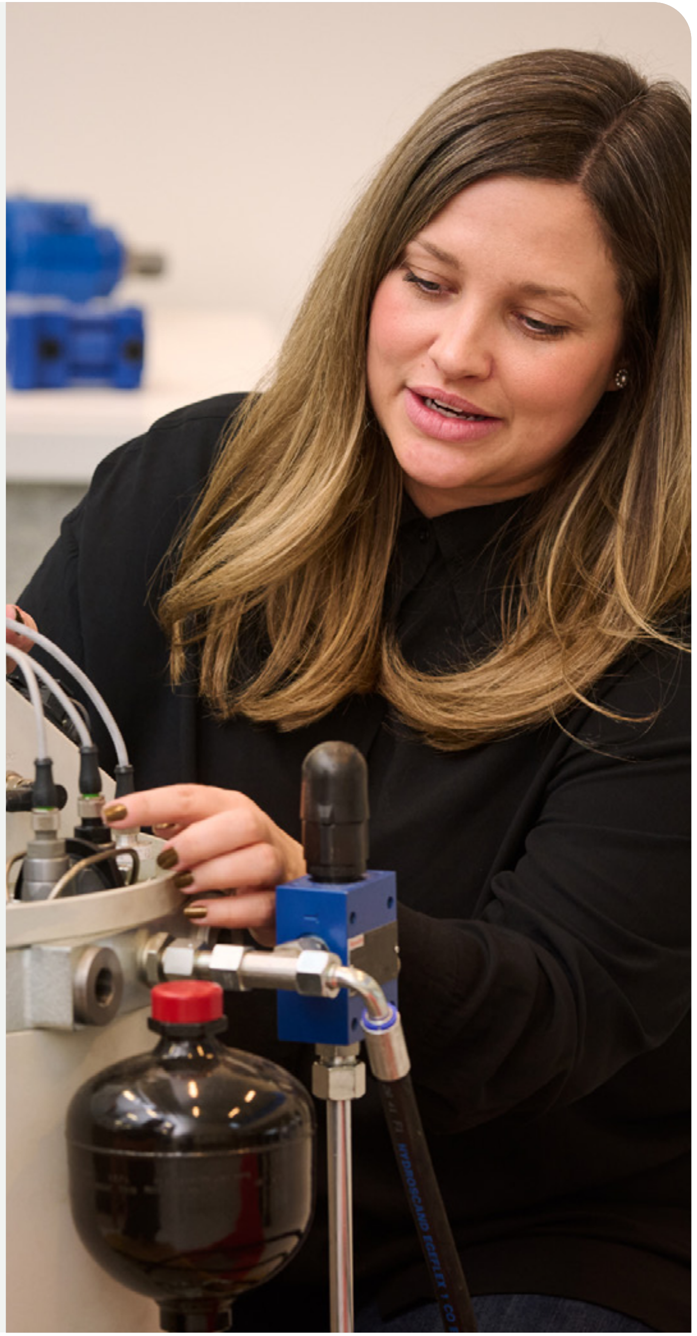
- Opportunities for the development of competencies and work methods.
- Participate actively in the society where we are active.
- Act responsibly in business.

Sustainable customer relationships

Helping the customer make sustainable choices

- A safe work environment for customers that promotes good health.
- Extend the service life of machinery and production facilities.

This responsibility spans the entire value chain from supplier to customer.



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Social sustainability

For us as a responsible employer, social sustainability means being able to offer a healthy work environment, good health and safety, respect for human rights, and counteracting discrimination, harassment and corruption in our operations. And taking responsibility throughout the value chain.

A sustainable workplace

Momentum Group's overall goal is to be perceived as an attractive workplace in order to be able to recruit, develop and retain employees. With a decentralised governance model, it is the companies' work that is in focus and that contributes to each workplace being socially sustainable. Below is a description of how we work with the issue at both Group and company level.

Skills development and support

The Group and its companies endeavours to develop employees and safeguard future competencies and succession planning in order to secure local market leadership. The ongoing skills and performance development of the Group's employees mainly occurs at the company level through various types of targeted training programmes in such areas as successful sales and perfomance development. Our joint Business School provides employees with training in our view of corporate culture and business acumen.

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

Statutory scope for sustainability reporting

Social conditions and personnel, Respect for human rights and Anti-corruption.

Examples of policies and guidelines:

Work Environment Policy, Equal Treatment Policy, Code of Conduct, self-evaluation tools for suppliers and Quality Policy.

Employee surveys

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

Diversity and equal treatment

A variety of experiences and backgrounds among employees promotes a more equitable work environment that encourages development. Equality in regard to gender distribution is also a key issue for Momentum Group since more men than women traditionally work in our industries. Consequently, we work actively in many different ways with our companies to promote greater equality over time in terms of gender distribution at all levels of the organisations.

Human rights and business ethics

Sustainability from a social perspective does not solely involve Momentum Group's employees but also issues that in various ways relate to human rights. Our operations have a human rights impact in various ways in the value chain. When the products that we sell are manufactured, human rights may be impacted. This may include, for example, the extraction of substances in a mining operation or unfair labour practices in various stages of the manufacturing and transport chain. There are also risks connected to business ethics, such as corruption, bribery and discrimination.

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UN Global Compact

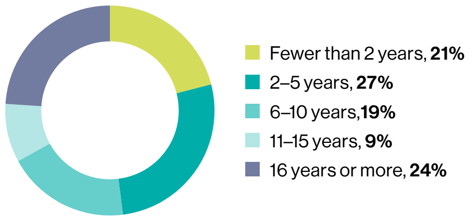
Momentum Group supports the UN Global Compact, which is a business network with a number of international principles targeted at companies. The principles are based on the UN Universal Declaration of Human Rights, the UN Convention against Corruption, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the OECD Guidelines for Multinational Enterprises, and the Rio Declaration on Environment and Development. Essentially, this means that we break down a number of international agreements into practical actions. To clarify this obligation for our suppliers, we require that the players with whom we collaborate do not conduct any operations that contravene the Ten Principles of the Global Compact.

KPIs Social sustainability

	2023	2022	2021
Employment			
Average number of employees	640	528	447
Number of implemented performance reviews, %	83	77	68
Diversity and equal treatment			
Percentage women	17	16	17
Percentage of women in leading positions[1]	25	26	28
Percentage of women on the Board of Directors of the Parent Company	40	40	40
Number of reported whistleblower incidents	5	2	0
Health and safety			
Sickness absence, %	4	5	4
Number of accidents	25	28	17
Human rights and business ethics			
Proportion of purchases from CoC-classed suppliers, %	72	71	70
Number of companies that apply ISO 26001:2010 guidance on social responsibility	2	2	2

[1] Includes members of management teams in Group companies.

Number of years employed



Code of Conduct

As part of its social sustainability work, Momentum Group has prepared a Code of Conduct that is based on the UN Global Compact. The aim is to ensure that the players with whom we choose to work comply with a number of vital points and conduct their operations in a responsible manner. The Code of Conduct focuses on protecting human rights and promoting fair employment terms, healthy and safe work conditions, responsible handling of environmental issues and sound business practices.

The majority of our partners and main suppliers are located in Europe and 72 percent (71) of our purchases are made from suppliers who have signed our Code of Conduct. Supplier assessments and audits are carried out according to an annual plan, while development-oriented supplier dialogues linked to sustainable products and services are ongoing.

Our Code of Conduct naturally also pertains to all businesses and employees in the Group and underlines the importance of always behaving in an ethically correct manner and respecting human rights. It is the management team of each subsidiary that is responsible for ensuring that the Code of Conduct is implemented and complied with in their business activities.

Read our Code of Conduct

Whistleblower service

Momentum Group accepts no form of improprieties that contravene legislation or our Code of Conduct. Our internal and external stakeholders play a key role in helping us to identify any deviations from our values and ethical guidelines. To make it easier to identify such deviations, Momentum Group has introduced a whistleblower system. The whistleblower system allows any suspicions of misconduct to be reported anonymously. It is also an important tool for reducing risks and fostering high business ethics and thereby maintaining customer and public confidence in our operations.

Since 17 December 2023, all subsidiaries with more than 50 employees have separate reporting channels in the Group's whistleblower service in line the updated Whistleblower Protection Directive from EU.

During the 2023 financial year, 1 case (0) was registered in the Group's whistleblower service, of which 0 (0) were external. A total of 4 (2) cases were registered in the subsidiaries' sub-channels, of which 0 (0) were external.

To our whistleblower service

Industry improvements from a social perspective

The customer value that we deliver is documented through our industrial improvements method, which involves the presentation of financial savings, environmental improvements or occupational health and safety improvements. Improvements from an occupational health and safety perspective could involve, for example, employee safety connected to the performance of high-risk work, health-related safety through a reduced use of chemical products/hazardous products or a reduced risk of strain-related ill health.

In 2023, our subsidiaries implemented 555 new industrial improvements, of which 241 contributed to an improved work environment.

See example of an industrial improvement

Improved working environment:

241

industrial improvements

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Financial sustainability

Being profitable over the long term and thus creating conditions for contributing to a sustainable industry – that is what financial sustainability means to Momentum Group. This entails maintaining a strong balance sheet that enables growth, expansion and investments.

A development that results in weaker opportunities from a social and environmental perspective is not sustainable even if it were to temporarily lead to increased profitability. Financial profitability has no negative impact on the social or environmental perspectives, but rather contributes to all three perspectives. Sustainability is not a cost. For us, it is a business opportunity that is driven by financial conditions. The starting point for financial sustainability is the Group's three fundamental requirements of growth, profitability and development, which all contribute to the Group being able to meet the current and future requirements imposed on sustainable companies – for shareholders, customers, suppliers and employees.

KPIs, financial sustainability	2023	2022	2021
Earnings growth (EBITA), %	30	19	28
Profitability, EBITA/WC, %	59	61	61
Dividend, MSEK	54	49	–
Dividend, %	32	37	–

Read more in the section Focus areas

Three fundamental requirements for our companies – for long-term profitable growth

Growth

>15% earnings growth

- The foundation for long-term profitability.
- Easier to create opportunities for our loyal employees.
- Offer our customers and business partners a long-term partnership.

Profitability

>45% EBITA/WC

- Financing our continuing development.
- Financing of growth via acquisitions.
- Return to shareholders.

Development

Successful companies and their employees have to continuously dare to develop and change over time.

Industrial improvements from a financial perspective

The customer value that we deliver is documented through our industrial improvements method, which involves the presentation of financial savings, environmental improvements or occupational health and safety improvements. In 2023, our subsidiaries implemented 555 new industrial improvements, of which 456 contributed to financial savings for our customers to a value of approximately SEK 200 million.

Financial saving:

456 industrial improvements

200 MSEK

See example of an industrial improvement

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Environmental sustainability

Our contribution to a sustainable industry from an environmental perspective permeates the entire value chain. This includes the product manufacturing and/or service provision, our own manufacturing, sales and, distribution, and use of the products or performance of the services, as well as reuse.

In accordance with the Group's Environmental Policy, the impact on the environment is to be minimised as far as is technically possible, reasonable from a business economics perspective and environmentally justified.

Environmental impact backward in the value chain
Our contribution at the production stage is mainly about our choice of products/services and choice of suppliers. This is handled by our operations through development of the offering and through supplier processes and is categorised as Scope 3 upstream. 72 percent (71) of our purchases are made from suppliers who have signed our Code of Conduct. Through the offering process, we identify manufacturers and suppliers on the basis of products and services that meet our health and safety requirements, the lowest possible environmental impact (compared with the alternatives available), quality and total cost, and share our views on long-term partnership and close collaboration.

Our direct environmental impact
Our contributions in terms of sales and distribution are categorised as Scope 1 and Scope 2, which are the parts of the value chain where most of our operations have a direct impact.

Our strategic environmental objective on group level focuses on reducing our internal CO_2 emissions from fossil fuels connected to our company cars. This is categorised as Scope 1 and encompasses the majority of our direct emissions. Our most effective methods to achieve the target are through our choice of fuel and the choice of vehicles. In 2023, our carbon emissions from company cars declined by –1 per cent (–7).

In addition to the environmental impact from our vehicle fleet, we have an environmental impact connected to our premises, where electricity consumption and heat consumption are of primary importance. Our joint target is to increase the proportion of fossil-free and/or climate-neutral electricity procured by the Group. In 2023, the proportion of green electricity increased to 93 per cent (75).

The internal environmental work in our companies is partly based on the requirements stipulated in ISO standards. Of the Group's companies that reported on this in 2023 (a total of 21 companies), 6 are quality and environmentally certified according to ISO 14001:2015 and 9 are certified according to ISO 9001:2015. In addition, two companies work in accordance with the ISO 26001:2010 guidance on social responsibility.

Statutory area for sustainability reporting:

Environment.

Examples of policies and guidelines:

Environmental Policy, Code of Conduct, guidelines for company cars.

Scopes 1, 2 and 3

The concepts of Scopes 1, 2 and 3 derive from the Greenhouse Gas (GHG) Protocol reporting standard, which divides emissions into three dimensions.

Scope 1: Direct emissions from own operations.
Scope 2: Indirect emissions from own operations.
Scope 3: Indirect emissions from the entire value chain that we do not own.

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Environmental impact forward in the value chain

The impact connected to the use of our products and services is categorised as Scope 3 downstream, and it is in this stage of the lifecycle where we make our most significant contribution. This refers to the positive environmental impact that our offerings make among our customers.

Our products are characterised by long service life, energy efficiency and operational reliability. Our services are characterised by optimisation and circular thinking. The circular economy and circular business models are the way of the future, a future we have been part of shaping for many years through our workshops, for example. Our workshops contribute to the circular economy by extending the products' service life through repairs and renovation.The more the services are used and the more objects that are repaired, renovated or optimised, the more the workshops' contribution to a sustainable industrial increases.

In 2023, we introduced industrial improvements in our operations as a sustainability-related goal where the goal is to gradually increase the number of implemented industrial improvements. As part of this, we measure the CO_2 emissions our solutions save for our customers. In 2023, the documented environmental savings were 373,600 kg of CO_2 saved.

Sustainable logistics

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

The environmental impact of our freight transport consists of emissions from the vehicles. Freight transport of products from suppliers to us and from us to customers is counted as an indirect emission since our operations predominantly purchase the transport service. Our operations can have an impact on the environmental impact by choosing carriers that work to reduce CO_2 emissions and have good working conditions. In addition, the majority of the Group's purchases are made from suppliers in the Nordic region and within the EU.

KPIs, environmental sustainability

	2023	2022	2021
Company cars			
Total emissions, gram CO_2	576,292,890	645,698,434	548,452,308
Total number of kilometres driven	3,926,387	4,370,640	3,324,749
CO_2 emissions, gram/km	147	148	165
Green electricity			
Total energy consumption for all premises, MWh	5,506	6,157	5,065
Energy consumption, fossil-free/climate-neutral, MWh	5,103	4,633	2,246
Proportion of fossil-free or climate-neutral electricity, %	93	75	44
Companies with quality and environmental certification according to ISO 14001:2015	6	3	3
Companies with quality and environmentally certification according to ISO 9001:2015	9	3	3

Industry improvements – environmental perspective

The customer value that we deliver is documented through our industrial improvements method, which involves the presentation of financial savings, environmental improvements or occupational health and safety improvements. Environmental improvements are solutions that contribute to lowering the environmental impact of customers, for example, through reduced energy consumption, lower water consumption, reduced consumption of products, reduced waste quantities and lower CO_2 emissions.

In 2023, our subsidiaries made 555 new industrial improvements, of which 379 contributed to an improved environment. In total, the documented environmental savings were 373,600 kg of CO_2 saved.

Improved environment

379 industrial improvements

373,600 kg saved CO_2

See example of an industrial improvement

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The EU Taxonomy Regulation

The EU Taxonomy Regulation (EU 2020/852) took effect in July 2020. The taxonomy is a tool for achieving the EU's climate goals and the objectives of the EU's green growth strategy, the Green Deal. The purpose of the Taxonomy is to make it easier for investors to identify and compare environmentally sustainable investments through a joint classification system for environmentally sustainable economic activities.

Momentum Group is a public interest entity subject to the sustainability reporting requirements under the EU Non-Financial Reporting Directive and therefore obligated, for the financial year 2023, to report the proportion of its activities that are Taxonomy-eligible. As of 2023, reporting is applicable to all environmental objectives. In addition, for the first two climate-related environmental objectives (Climate Change Mitigation and Climate Change Adaptation), the proportion of activities covered that is also aligned with the taxonomy criteria must be indicated.

The Taxonomy is continuously evolving and it is important to note that the current Taxonomy does not cover all economic activities in the market. In a initial phase, the EU has prioritised activities which, according to research, account for a large share of climate-impacting emissions and which the EU believes have a crucial role in the transition to a low-carbon, resilient and resource-efficient economy. In its current scope, the Taxonomy also does not focus on the retail level, where Momentum Group has a large portion of its operations.

We help our customers achieve their sustainability goals

Although only a limited part of Momentum Group's activities are currently covered by the Taxonomy, a significant part of the Group's activities are enabling the ongoing transition to the circular economy. We choose to consider the requirements regardless and view the Taxonomy as an opportunity for us in our continuous efforts to create more sustainable activities. We have both suppliers and customers whose activities are Taxonomy-eligible and will be classified under the Taxonomy. In the future, we will be able to use the Taxonomy as a knowledge base for choosing sustainable suppliers and manufacturers. This also means that Momentum Group will be able to help our customers with improvements that contribute to reduced CO_2 emissions in their activities and thus contribute to their potential to be classified as an environmentally sustainable activity – in line with our mission "Together for a sustainable industry".

Assessment of Taxonomy-eligible activities

Momentum Group's operations primarily consist of sales of industrial components, industrial services and related services to customers in industry and industrial infrastructure in the Nordic region. All economic activities occurring in the Group that generate turnover, operating expenses and capital expenditures have been analysed on the basis of the description of the economic activities and references to Taxonomy NACE codes. For each economic activity, an assessment has been made for relevance. This assessment has been made on the basis of whether the economic activity is eligible or non-eligible for Momentum Group. The assessment has been made at company level, as the companies in Momentum Group have different types of operations. The eligibility screening was carried out for all six environmental objectives as new companies were added to Momentum Group in 2023.

At present, there are no economic activities that meet more than one environmental objective, thus no double counting has taken place.

According to the analysis, the following economic activities that the Group conducts are currently covered by the Taxonomy.

The Taxonomy in brief

For an economic activity to be regarded as environmentally sustainable according to the EU Taxonomy, the activity must:

1. make a substantial contribution to one of the six established environmental objectives
2. do no significant harm to any of the other environmental objectives,
3. and meet certain minimum safeguards for human rights.

The EU's six environmental objectives:

1. Climate change mitigation.
2. Climate change adaptation.
3. The sustainable use and protection of water and marine resources.
4. The transition to a circular economy.
5. Pollution prevention and control.
6. The protection and restoration of biodiversity and ecosystems.

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Activities covered by the environmental objective Climate change mitigation (CCM)

6.5. Transport by motorcycles, passenger cars and light commercial vehicles

Investment expenditure on leasing of passenger cars and company cars is covered. In 2023, the investment for new or renewed contracts amounted to SEK 28 million, of which SEK 18 million pertains to vehicles that meet the criteria for CO_2 emissions lower than 50 g/km and are deemed to meet the criteria for significant contribution.

8.2 Data-driven solutions for GHG emissions reductions

Economic activity refers to various forms of smart technology that reduce energy consumption and thus indirectly enable GHG emissions reductions. The economic activity covered is the turnover for activities within Momentum Group relating to solutions for remote control to for example save energy in the customer's production facility.

Activities covered by the environmental objective Water and marine Resources (WTR)

1.1. Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems

The economic activity covered is the turnover of Momentum Group's business in the design of solutions that enable leakage reduction.

Activities covered by the environmental objective Circular economy (CE)

2.2. Production of alternative water resources for purposes other than human consumption

The economic activity covered is the turnover of Momentum Group's operations in rainwater harvesting, for example irrigation.

5.1. Repair, refurbishment and remanufacturing

Approximately 13 percent of the Group's total sales pertain to repair, refurbishment and remanufacturing of, for example, servo motors, electric motors, gears and bearings. The economic activity covered is the turnover from the activity of extending the life of products by repairing, refurbishing or remanufacturing products that have already been used for their intended purpose by a customer. The part covered amounts to approximately 11 percent of total sales.

Nuclear and fossil gas related activities

On 1 January 2023, a supplementary delegated act came into force, which aims for companies to now report on taxonomy alignment for certain activities related to nuclear energy and fossil gas. Nuclear power and fossil gas are considered by the European Parliament to be environmentally sustainable on a temporary basis as they are considered important components in the transition work towards reduced greenhouse gas emissions. Momentum Group does not currently conduct any operations in any of these areas.

Nuclear energy related activities	
The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

Fossil gas related activities	
The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

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Assessment of Taxonomy-aligned activities

Momentum Group has evaluated the taxonomy-eligibility economic activities under the environmental objectives CCM and CCA against the technical screening criteria set out in Commission Delegated Regulation (EU) 2021/2139.

In assessing the compatibility of economic activities, CapEx and OpEx, the precautionary principle has been applied. That is, in cases where there have been doubts about whether an activity meets the technical criteria, the criteria for doing no significant harm and the minimum social safeguards, these have been deemed not to be taxonomy-aligned.

For 2023, the assessment has been made that the Group cannot include any part of sales and CapEx (has nothing in OpEx) as aligned with the taxonomy requirements. Mainly because the Group has not been able to ensure or verify that the operations are aligned with the taxonomy's minimum safeguards.

On the other hand, most of the activities covered by the taxonomy are considered to be consistent with several of the technical screening criteria in order to contribute significantly to the respective taxonomy objective. It thus provides good conditions for increasing the proportion of taxonomy-alignment in the coming years by developing the processes and strengthening communication on, for example, minimum protection measures, climate risk analyses and processes for the prevention and control of pollution.

Proportion covered by EU Taxonomy by environmental objective

The table shows the proportion of the company's economic activities that contribute to any of the EU's six environmental objectives. For goals one and two, both the proportion covered by and the share that meets the requirements of the EU Taxonomy, 2021/2139, are stated. For other objectives, the reporting requirement for the year 2023 only covers the share covered by the EU Taxonomy, 2023/2486. Changes compared with the previous year are mainly explained by the fact that more environmental objectives are covered as of 2023, as well as acquisitions and process strengthening.

	Proportion of turnover / Total Turnover		Proportion of CapEx / Total CapEx		Proportion of OpEx / Total OpEx	
Enviromental objectives, EU	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%	0%	7%	0%	0%
CCA	0%	0%	0%	0%	0%	0%
WTR	N/A	0%	N/A	0%	N/A	0%
CE	N/A	11%	N/A	0%	N/A	0%
PPC	N/A	0%	N/A	0%	N/A	0%
BIO	N/A	0%	N/A	0%	N/A	0%

CCM Climate Change Mitigation
CCA Climate Change Adaptation
WTR Water and Marine Resources
CE Circular Economy
PPC Pollution Prevention and Control
BIO Biodiversity and ecosystems

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Turnover 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	Turnover	Proportion of Turnover	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resource	Circular Economy	Pollution	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resource	Circular Economy	Pollution	Bio-diversity	Minimum Safe-guards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.), 2022	Category enabling activity	Category transitional activity
		MSEK	%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
N/A																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**														**0%**		
Of which enabling		0	0%														0%		
Of which transitional		0	0%														0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Data-driven solutions for GHG emissions reductions	CCM 8.2	7	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%	E	
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	5	0%	N/EL	N/EL	EL	N/EL	N/EL	N/EL								0%	E	
Production of alternative water resources for purposes other than human consumption	CE 2.2	2	0%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%		
Repair, refurbishment and remanufacturing	CE 5.1	245	11%	N/EL	N/EL	N/EL	EL	N/EL	N/EL								0%	E	
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**259**	**11%**	**0%**	**0%**	**0%**	**11%**	**0%**	**0%**								**0%**		
Total (A.1 + A.2)		**259**	**11%**	**0%**	**0%**	**0%**	**11%**	**0%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		**2,039**	**89%**																
Total (A+B)		**2,298**	**100%**																

CCM Climate Change Mitigation
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Y Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
EL Taxonomy-eligible activity for the relevant objective
E Enabling activitiy
T Transitional activity

Definition of Turnover

The Taxonomy uses the same definition of turnover as that stipulated in Directive 2013/34/EU on annual financial statements, consolidated financial statements and related reports (Article 2 (5)) and IAS 1 Presentation of Financial Statements p.82(a). Turnover in the denominator covers the Group's total external sales according to Note 3.

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CapEx 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	CapEx	Proportion of CapEx	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resource	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resource	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.), 2022	Category enabling activity	Category transitional activity
		MSEK	%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
N/A																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**														**0%**		
Of which enabling		0	0%														0%		
Of which transitional		0	0%														0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	28	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**28**	**7%**	**7%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
Total (A.1 + A.2)		**28**	**7%**	**7%**	**0%**	**0%**	**0%**	**0%**	**0%**								**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		**356**	**93%**																
Total (A+B)		384	100%																

CCM Climate Change Mitigation
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Y Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
EL Taxonomy-eligible activity for the relevant objective
E Enabling activitiy
T Transitional activity

Definition of CapEx

The Taxonomy uses the same definition of CapEx as IFRS. CapEx refers to: Additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairment and excluding fair value changes. Leases according to IFRS 16 that lead to recognition of right-of-use assets are eligible. However, goodwill is not included. The denominator includes the Group's total CapEx during the year, corresponding to the capital expenditure presented in Notes 9, 10 and 11.

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Opex 2023

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	OpEx	Proportion of OpEx	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resource	Circular Economy	Pollution	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water and Marine Resource	Circular Economy	Pollution	Bio-diversity	Minimum Safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.), 2022	Category enabling activity	Category transitional activity
		MSEK	%	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
N/A																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		**0**	**0%**														**0%**		
Of which enabling		0	0%														0%		
Of which transitional		0	0%														0%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
N/A																			
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**0**	**0%**														**0%**		
Total (A.1 + A.2)		**0**	**0%**														**0%**		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		**8**	**100%**																
Totalt (A+B)		**8**	**100%**																

CCM Climate Change Mitigation
CCA Climate Change Adaptation
WTR Water and Marine Resources
CE Circular Economy
PPC Pollution Prevention and Control
BIO Biodiversity and ecosystems

Y Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective
N Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective
N/EL Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective
EL Taxonomy-eligible activity for the relevant objective
E Enabling activitiy
T Transitional activity

Definition of OpEx

According to the Taxonomy, OpEx is defined as direct non-capitalised costs that relate to research and development, building renovation measures, shortterm leases (leases that are shorter than one year), maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets. The denominator covers the Group's total OpEx during the year associated with the continued and effective functioning of such assets, corresponding to what is presented in Note 11, with certain supplementary disclosures.

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Administration Report

1 January–31 December 2023

The Board of Directors and President & CEO of Momentum Group AB (publ), Corporate Registration Number 559266-0699, hereby submit the Annual Report and consolidated financial statements for the 1 January–31 December 2023 financial year. Comparisons in parentheses pertain to the corresponding period in the preceding year, unless otherwise specified. The Corporate Governance Report on pages 46–51, the statutory Sustainability Report in accordance with the Annual Accounts Act on pages 57–73 and the following income statements, balance sheets, statements of comprehensive income, statements of changes in equity, cash-flow statements and notes constitute an integrated part of the Annual Report and have been reviewed by the company's auditors.

Operations

Momentum Group operates, develops and acquires successful sustainable companies in the Nordic region through active ownership with decentralised profit and business responsibility. The group consists of a number of companies that together constitute one of the Nordic region's leading suppliers of industrial components, industrial services and other related services to customers in industry and industrial infrastructure in the Nordic region. What the businesses have in common is that they help make customers' operations easier, safer and more profitable by offering sustainable, long- life products and services with a strong local presence close to customers. The Group generates revenue of approximately SEK 2.3 billion and has some 749 employees. Momentum Group's class B share is listed on Nasdaq Stockholm.

Market development

The business climate in the main markets in the Nordic region was satisfactory during the year. The economic turmoil that characterised the market in 2023 led some customers to act more cautiously with a slightly lower level of activity, especially towards the latter part of the year. However, the scenario is not identical across the board, and demand remains generally stable, particularly within industry, which is the Group's primary customer segment. The component shortage that previously impacted the market continued to stabilise and the companies in the Group managed a high delivery capacity in general during the year.

Purchasing prices and cost increases continued but with more moderate and less frequent changes. The weak and volatile SEK did not have any major impact on sales or earnings, but is a factor that the businesses need to continually take into account.

A continued sluggish economy and challenging international security situation, with the uncertainty that comes with this, are also expected to lead to a somewhat cautious market moving forward. The Group's companies are continually adopting measures in their operations to adapt to the prevailing market situation. The Group's decentralised structure, with decisions made close to customers and suppliers, has proven to be a major strength in these efforts.

Revenue

The Group reported good sales growth with stable demand for the companies' products and services in most customer segments during the year. The companies have worked closely with their customers to understand any changes in demand patterns and they continued to be restrictive with their costs.

In 2023, revenue increased by 32 percent to SEK 2,298 million (1,739), of which 25 percent pertained to acquisitions. For comparable units, revenue increased by 7 per cent. Currency translation effects had a positive impact of SEK 9 million on revenue. Acquired operations contributed with SEK 438 million. The financial year included two trading days less than in the previous year.

Profit

Operating profit rose by 28 per cent to SEK 237 million (185), corresponding to an operating margin of 10.3 per cent (10.6).

Operating profit was charged with amortisation of intangible non-current assets of SEK –28 million (–13) arising in conjunction with acquisitions and with depreciation of right-of-use assets and tangible non-current assets of SEK –72 million (–55). Currency translation effects had a positive impact of SEK 1 million (0) on operating profit. Acquisition-related expenses had an impact of SEK 6 million (3) in the period.

EBITA increased by 30 per cent to SEK 265 million (204), corresponding to an EBITA margin of 11.5 per cent (11.7).

Profit after financial items totalled SEK 222 million (177) and profit after tax amounted to SEK 173 million (140), which corresponds to earnings per share of SEK 3.45 (2.70) for the reporting period.

Profitability, cash flow and financial position

Profitability

The Group's profitability, measured as the return on working capital (EBITA/WC), amounted to 59 per cent (61) for the most recent 12-month period. The return on equity for the same period was 31 per cent (29).

Cash flow

Cash flow from operating activities before changes in working capital for the reporting period totalled SEK 280 million (185). Cash flow was impacted by paid tax of SEK –40 million (–59). During the reporting period, inventories increased by SEK 20 million. Operating receivables and operating liabilities both declined by SEK 26 million. Accordingly, cash flow from operating activities for the reporting period amounted to SEK 260 million (135).

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Cash flow from investing activities for the reporting period amounted to SEK –436 million (–105). Cash flow includes business combinations of SEK –414 million (–100), settlements of deferred payments regarding acquisitions of SEK –10 million (–) and net investments in non-current assets of SEK –12 million (–5).

Cash flow from financing activities for the reporting period, which amounted to SEK 206 million (–83), was mainly attributable to a net change in interest-bearing liabilities of SEK 239 million (5) and the dividend paid of SEK –50 million (–), of which SEK –1 million pertained to the dividend to non-controlling interests in subsidiaries. Cash flow for the reporting period was also impacted in an amount of SEK 17 million (15) by sales of own shares in connection with acquisitions. The comparative period also included a repurchase of own shares of SEK –87 million and changes in holdings in partly owned subsidiaries amounting to SEK –16 million in conjunction with the exercise of call options.

Financial position

The Group's financial net loan liability at the end of the reporting period amounted to SEK 514 million, compared with SEK 181 million at the beginning of the year. At the end of the period, the Group's operational net loan liability amounted to SEK 326 million, compared with SEK 48 million at the beginning of the financial year. The difference is largely attributable to cash flow from operating activities and acquisitions carried out during the reporting period, as well as the dividend paid during the second quarter.

Cash and cash equivalents, including unutilised granted credit facilities, totalled SEK 691 million. Granted credit facilities comprise the company's revolving facility of SEK 800 million with a remaining maturity until 31 December 2026 and a committed credit facility totalling SEK 200 million with a maturity of one year (extended in March 2024). Of the company's revolving facility and committed credit facility, SEK 502 million and SEK 142 million, respectively, were unutilised at the end of the reporting period. The Group met, at the end of the reporting period, all financial obligations to lenders.

The equity/assets ratio at the end of the reporting period was 33 per cent (42).

Equity per share totalled SEK 12.50 at the end of the reporting period, compared with SEK 10.10 at the beginning of the year.

The balance-sheet total at the end of the reporting period was SEK 1,862 million, compared with SEK 1,173 million at the beginning of the year. The change during the year was largely attributable to acquisitions, and acquired assets and liabilities are presented in Note 28.

Development by business area

The division into business areas reflects Momentum Group's internal organisation and reporting system. Up to and including 31 December 2023, Momentum Group reports the business areas, Components and Services as operating segments. For more information on the Group's operating segments, refer to Note 3.

As of 1 January 2024, the business is divided into two business areas, Industry and Infrastructure.

Components business area

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

Revenue increased by 39 per cent compared with the preceding year to SEK 1,934 million (1,395).

For comparable units growth was 9 per cent. EBITA amounted to SEK 255 million (187), corresponding to an EBITA margin of 13.2 percent (13.4). The business area's profitability, measured as return on working capital (EBITA/WC), was 68 per cent (69).

The subsidiary, Momentum Industrial displayed a positive sales and earnings performance during the year, with volume growth primarily in the automotive and mining segments. Sales increased in the product areas of bearings, automation and seals. During the year, the acquisition of LocTech was completed and integrated.

The specialist companies posted a positive trend during the year with growth in both sales and earnings, in particular thanks to acquired businesses, which made a contribution of SEK 418 million in revenue. In general, the companies were experiencing stable demand. Certain businesses experienced some impact of supply disruptions. During the year, the acquisitions of Hydmos, Agera, Askalon, Regal, Items, Conclean, Cobalch, WEH Sverige, Swerub and Helsingin Kumi.i were completed.

Services business area

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

Revenue increased by 4 per cent to SEK 379 million (363) compared with the preceding year. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, rose by 2 per cent. EBITA amounted to SEK 37 million (40), corresponding to an EBITA margin of 9.8 per cent (11.0). The business area's profitability, measured as return on working capital (EBITA/WC), amounted to 51 per cent (62).

The companies in the business area generally showed stable development during the year. Most companies had a positive sales trend, although some customers were somewhat more restrained. The capacity utilisation in the workshops was generally good. At the turn of the year 2023/2024, a merger of the companies Mekano and Carl A was carried out.

The business area's operations specialising in digitalised maintenance, Intertechna and Mytolerans, posted good sales growth during the year, driven by increased customer activity and improved demand.

Acquisition

Company acquisitions are an important part of Momentum Group's growth strategy and the company has a well-established model for evaluating, implementing, integrating and welcoming new companies to the Group. In 2023, Momentum Group completed 11 business acquisitions with combined annual revenue of approximately SEK 610 million. After the end of the year, additional 1 acquisition was finalised. The acquisitions further strengthen Momentum Group's position as a specialist company in industrial components and related services for Nordic industry. The acquisitions contributed positively to Momentum Group's earnings per share during the financial year.

Acquisition of Hydmos Industriteknik

On 2 February, the acquisition of 70 per cent of the shares in Hydmos Industriteknik AB, which has a leading position in advanced hydraulic and gas systems for use in high-pressures, was completed.

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Acquisition of Agera Industritillbehör
On 16 February, the acquisition of 100 per cent of the shares in Agera Industritillbehör AB, a supplier-independent retailer of ball bearings, transmissions, motors and filters, as well as seal, was completed.

Acquisition of LocTech
On 1 March, the subsidiary Momentum Industrial AB completed the acquisition of 100 per cent of the shares in LocTech AB, a comprehensive supplier of seals for rotating and static applications.

Acquisition of Askalon
On June 5, the acquisition of 94 per cent of the shares in Askalon AB, a leading player in advanced valve solutions, primarily for the power, refinery and process industries in the Nordic region, was completed.

Acquisition of Regal
On 30 June, the acquisition of 100 per cent of the shares in Regal A/S, a leading niche player in transmission, electrical automation and control for both OEM and end customers in the food, toy and pharmaceutical industries in Denmark, was completed.

Acquisition of Processkontroll Items
On 3 July, the acquisition of 100 per cent of the shares in Processkontroll Items AB, which has a leading niche position in instrumentation for demanding operating conditions, was completed.

Acquisition of Conclean
On 1 September, the acquisition of 80 per cent of the shares in Conclean AB, a leading niche player in private sewage, rainwater recycling and stormwater management, was completed. Part of the purchase price was paid through the transfer of own Class B shares.

Acquisition of Cobalch
On November 15, the subsidiary BPS completed the acquisition of 70 per cent of the shares in Cobalch ApS, a specialist in pipeline accessories for gas, water, oil, sewage treatment plants, waterworks and refineries.

Acquisition of WEH Sverige
On 30 November, the subsidiary iTEMS completed the acquisition of 100 per cent of the shares in WEH Sverige AB, a specialist CNG/Hydrogen refueling components and gas detection.

Acquisition of Swerub
On 30 November, the acquisition of 100 per cent of the shares in Swerub AB, a market leader in Sweden in advanced custom-made rubber products for industry, was completed. Part of the purchase price was paid through the transfer of own Class B shares.

Acquisition of Helsingin Kumi
On 18 December, the acquisition of 100 per cent of the shares in Helsingin Kumi Oy, a specialist in customised rubber products and profiles for the industry in Finland, was completed.

For acquisition analyses and other disclosures about acquisitions, refer to Note 28

Parent company
The Parent Company's revenue for 2023 amounted to SEK 17 million (13) and profit after financial items was SEK –28 million (6). The comparable period included dividends of SEK 40 million. In December, the Parent Company received a Group contribution of SEK 120 million (150) that is recognised in the line item appropriations. Profit after tax for the reporting period amounted to SEK 54 million (109).

Employees
At the end of the year, the number of employees in the Group amounted to 749, compared with 558 at the beginning of the year. The change is primarily a result of acquisitions. The average number of employees during the year was 640 (528).

The share
Momentum Group's Class B share (ticker MMGR B) has been listed on Nasdaq Stockholm since 31 March 2022. The share price as of 31 December 2023 was SEK 130.50 (58.51).

On 9 May 2023, the Board decided, with the authorisation of the Annual General Meeting, to establish a repurchase programme to adapt the capital structure and to enable future acquisitions of businesses and operations to be paid for using treasury shares. The decision applies to repurchases of a maximum of 10 per cent of the number of Class B shares outstanding until the 2024 Annual General Meeting.

During the third quarter, the Group acquired Conclean AB, which was partly financed through the transfer of 154,830 own Class B shares to the seller at a price of SEK 93.80 per share. During the fourth quarter, the Group acquired Swerub AB, which was partly financed through the transfer of 21,768 own Class B shares to the seller at a price of SEK 114.84 per share. These prices correspond to the volume-weighted average price for the Class B share on Nasdaq Stockholm during the ten trading days immediately preceding the closing date.

As of 31 December 2023, the holding of Class B treasury shares totalled 1,083,026 shares, corresponding to approximately 2 per cent of the total number of shares.

At the end of the period, the share capital amounted to SEK 25.2 million divided into 564,073 Class A shares (10 votes/share) and 49,916,816 Class B shares (1 vote/share). The total number of shares after the repurchase amounts to 49,397,863.

Read more under "Share and ownership"

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

Research and development
Momentum Group does not conduct any research and development, but with the aim of strengthening and developing the Group's position as one of the Nordic region's leading suppliers of industrial components, industrial service and other related services to the industrial sector, resources continue to mainly be invested in the continued development of concepts and service solutions for customers and partners. Implemented activities in 2023 included continued development of various service concepts and customer solutions, continued focus on digitisation of transaction management and information sharing both externally with customers and internally, development of logistics and e-commerce solutions for end customers, and training of end users.

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Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between Momentum Group and its related parties during the year. The related-party transactions in place pertain primarily to lease expenses in acquired companies. These leases have been entered into on market terms. The remuneration of senior executives follows the guidelines established by the General Meeting.

Guidelines for determining remuneration and other terms of employment for senior executives

The Board aims to ensure that the remuneration system in place for the President & CEO and other members of the Group's senior executives is competitive and in line with market conditions. The guidelines for determining remuneration and other terms of employment for senior executives that applied for the 2023 financial year, which were adopted by the AGM on 11 February 2022, are presented in Note 4. The Board does not intend to propose any changes to the guidelines proposed by the AGM for the 2024 financial year.

Risks and uncertainties

Momentum Group's earnings, financial position and strategic position are impacted by a number of factors that are within the control of Momentum Group as well as a number of external factors. The most important external risk factors for Momentum Group are the economic and market situation for the industrial sector. Other risks include the competitive situation in the Group's markets and the significance of efficient logistics with high accessibility, in which the accessibility of the Group's logistics centres are important for certain flows of goods, as well as a dependence on identifying and developing relationships with qualified suppliers. The Group's opportunities and risks also include the completion of acquisitions and related capital requirements and the intangible surplus value that this can result in. Cyber-related risks are also considered important.

The future trend in the market and in demand may be impacted by the challenging security situation. Delivery times and the availability of components as well as rising prices, interest rates and inflation could also impact market conditions. The Parent Company is impacted indirectly by the above risks and uncertainties through its function in the Group.

The Group's principal risks within the areas of strategic, operating and regulatory compliance are presented below under "Risks and risk management". The financial risks and how they are managed are described in Note 21 Financial risks and risk management.

Future development

The Group's intention is to continue on this path, with a focus on earnings growth in combination with tied-up capital and acquisitions for increased profitability.

The Group's goal is for its earnings growth over a business cycle to amount to at least 15 per cent annually, combined with favourable profitability.

Along with a strong balance sheet and cash flow from operating activities, Momentum Group's organisation and structural capital provides favourable conditions for maintaining healthy earnings growth and a high pace of acquisitions in 2024.

Dividend

The Board of Directors proposes a dividend of SEK 1.10 (1.00) per share, corresponding to a payout ratio of 32 per cent (37) of earnings per share for the 2023 financial year.

The Board of Directors has assessed the company's and the Group's financial position and the company's and the Group's ability to meet their short and long-term obligations.

A total of approximately SEK 54 million (49) is required for the proposed dividend payment (taking into account the 1,083,026 Class B shares Momentum Group AB holds in treasury), which means that, all other things being equal, the Group's equity/assets ratio as of 31 December 2023 would decrease by approximately 3 percentage points. After payment of the proposed dividend and taking into consideration the prevailing market conditions, the company's and the Group's equity/assets ratio is still deemed to meet the demands placed on the operations conducted by the Group.

The Board's assessment is that the proposed dividend is well balanced taking into account the demands placed on the size of the company's and the Group's equity and liquidity due to the type of business conducted, its scope and relative risks. The proposed dividend is also in line with the Group's dividend policy, which states that the target is for the dividend to exceed 30 per cent of the Group's average profit over a business cycle.

Proposed appropriation of earnings

The Board's and the President & CEO's proposal concerning appropriation of profit is presented on page 113.

Events after the end of the year

As of 1 January 2024, the business was divided into two business areas: Industry and Infrastructure.

On 13 February, the subsidiary Agera acquired all of the shares in PW Kullagerteknik, a specialist in ball and rolling bearings.

On 20 March 2024, Momentum Group signed an agreement to acquire 60 per cent of the shares in Sikama AB, a specialist in gas and fluid handling for industrial customers in Sweden.

No other significant events have occurred for the Group after the end of the financial year.

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Income statement

MSEK	Note	2023	2022
Revenue	3	2,298	1,739
Other operating income		4	4
Total operating income		**2,302**	**1,743**
Product costs		–1,201	–915
Personnel costs	4	–555	–412
Depreciation, amortisation, impairment losses and reversal of impairment losses	9, 10, 11	–100	–68
Other operating expenses	5, 11	–209	–163
Total operating expenses		**–2,065**	**–1,558**
Operating profit	3	**237**	**185**
Financial income		6	1
Financial expenses		–21	–9
Net financial items	3, 6	**–15**	**–8**
Profit after financial items		**222**	**177**
Taxes	8	–49	–37
Net profit		**173**	**140**
Attributable to:			
Parent Company shareholders		170	137
Non-controlling interests		3	3
Earnings per share before dilution (SEK)	16	3.45	2.70
Earnings per share after dilution (SEK)	16	3.45	2.70

Statement of comprehensive income

MSEK	Note	2023	2022
Net profit		173	140
Other comprehensive income			
Components that will not be reclassified to net profit		–	–
Total		–	–
Components that will be reclassified to net profit			
Translation differences		–6	3
Fair value changes for the year in cash-flow hedges		–1	0
Fair value changes in cash-flow hedges transferred to net profit		0	0
Tax attributable to components that were or can be reclassified to net profit	8	0	0
Total		**–7**	**3**
Other comprehensive income		**–7**	**3**
Total comprehensive income		**166**	**143**
Attributable to:			
Parent Company shareholders		164	140
Non-controlling interests		2	3

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Balance sheet

MSEK	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Intangible non-current assets	9	789	383
Tangible non-current assets	10	27	19
Right-of-use assets	11	194	138
Financial investments	23	0	0
Other long-term receivables	14	2	1
Deferred tax assets	8	2	2
Total non-current assets		**1,014**	**543**
Current assets			
Inventories	12	366	285
Tax assets		0	0
Accounts receivable	21, 23	388	300
Prepaid expenses and accrued income	13	38	22
Other receivables	14	9	6
Cash and cash equivalents	23	47	17
Total current assets		**848**	**630**
Total assets		**1,862**	**1,173**

MSEK	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity	15		
Share capital		25	25
Other contributed capital		–	–
Reserves		–2	4
Retained earnings, including net profit		594	469
Equity attributable to Parent Company shareholders		**617**	**498**
Non-controlling interests		**39**	**27**
Total equity		**656**	**525**
Non-current liabilities			
Non-current interest-bearing liabilities	21, 23	303	59
Non-current lease liabilities	21, 23	116	84
Other non-current liabilities	17, 23	99	51
Other provisions	17	0	0
Deferred tax liabilities	8	110	51
Total non-current liabilities		**628**	**245**
Current liabilities			
Current interest-bearing liabilities	21, 23	70	6
Current lease liabilities	21, 23	72	49
Accounts payable	21, 23	228	188
Tax liabilities		8	4
Other liabilities	18, 23	65	52
Accrued expenses and deferred income	19	135	104
Total current liabilities		**578**	**403**
Total liabilities		**1,206**	**648**
Total equity and liabilities		**1,862**	**1,173**

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Statement of changes in equity

	Equity attributable to Parent Company shareholders					
MSEK	**Share capital**	**Reserves**	**Retained earnings, including net profit**	**Total**	**Non-controlling interests**	**Total equity**
Closing equity, 31 Dec 2021	**0**	**1**	**457**	**458**	**17**	**475**
Net profit			137	137	3	**140**
Other comprehensive income		3	0	3		**3**
Bonus issue	25		–25	0		**0**
Repurchase of own shares			–87	–87		**–87**
Sale of own shares[1]			15	15		**15**
Change in ownership share in partly owned subsidiaries			1	1	–7	**–6**
Acquisitions of partly owned subsidiaries				–	14	**14**
Option liability, acquisitions[2]			–29	–29		**–29**
Change in value of option liability[3]			0	0		**0**
Closing equity, 31 Dec 2022	**25**	**4**	**469**	**498**	**27**	**525**
Net profit			170	170	3	**173**
Other comprehensive income		–6	0	–6	–1	**–7**
Dividend			–49	–49		**–49**
Sale of own shares[4]			17	17		**17**
Change in ownership share in partly owned subsidiaries				–	11	**11**
Dividends paid in partly owned subsidiaries				–	–1	**–1**
Option liability, acquisitions[6]			–15	–15		**–15**
Change in value of option liability[3]			2	2		**2**
Closing equity, 31 Dec 2023	**25**	**–2**	**594**	**617**	**39**	**656**

[1] Pertains to the transfer of 240,376 own Class B shares in conjunction with the acquisition of Börjesson Pipe Systems AB.

[2] Pertains to the value of put options in relation to non-controlling interests in the acquired subsidiaries HNC Group A/S, Mytolerans AB and Jokrab Automatikbyggnad AB, which entail that the shareholders are entitled to sell their shares to Momentum Group. The price of the options is dependent on certain results being achieved in the companies and may be extended by one year at a time from 2025 and 2026 (Jokrab).

[3] Pertains to a change in the value of the put options in relation to non-controlling interests issued in conjunction with the acquisitions of partly owned subsidiaries.

[4] Pertains to the transfer of 154,830 own Class B shares in conjunction with the acquisitions of Conclean AB and transfer of 21,768 own Class B shares in connection with the acquisition of Swerub AB.

[5] Pertains to the value of put options in relation to non-controlling interests in the acquired subsidiaries Hydmos Industriteknik AB, Conclean AB and Cobalch ApS, which entail that the shareholders are entitled to sell their shares to Momentum Group. The price of the options is dependent on certain results being achieved in the companies and may be extended from 2026 (Hydmos) and 2027 (Conclean and Cobalch), respectively, by one year at a time.

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Cash-flow statement

MSEK	Note	2023	2022
Operating activities			
Profit after financial items		222	177
Adjustments for non-cash items	27	98	67
Income taxes paid		–40	–59
Cash flow from operating activities before changes in working capital		**280**	**185**
Cash flow from changes in working capital			
Change in inventories		–20	–35
Change in operating receivables		26	–22
Change in operating liabilities		–26	7
Changes in working capital		**–20**	**–50**
Cash flow from operating activities		**260**	**135**
Investing activities			
Purchase of tangible non-current assets		–12	–5
Acquisition of subsidiaries/operating segments, net effect on liquidity	27	–424	–100
Cash flow from investing activities		**–436**	**–105**
Cash flow before financing		**–176**	**30**
Financing activities			
Repurchase of own shares		–	–87
Conveyance of own shares		17	15
Dividend paid to Parent Companys shareholders		–49	–
Dividend paid to no-controlling interests		–1	–
Acquisition of non-controlling interests		–	–16
Borrowings	27	304	56
Repayment of loans	27	–65	–51
Cash flow from financing activities		**206**	**–83**
Cash flow for the year		**30**	**–53**
Cash and cash equivalents at the beginning of the year		17	70
Exchange-rate differences in cash and cash equivalents		0	0
Cash and cash equivalents at year-end	27	**47**	**17**

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Parent Company income statement

MSEK	Note	2023	2022
Revenue	3	17	13
Other operating income		3	4
Total operating income		**20**	**17**
Personnel costs	4	–33	–27
Depreciation, amortisation, impairment losses, and reversal of impairment losses		–	0
Other operating expenses	5, 11	–18	–20
Total operating expenses		**–51**	**–47**
Operating profit/loss	3	**–31**	**–30**
Profit from participations in Group companies		–	40
Other interest income and similar profit/loss items		23	3
Interest expenses and similar profit/loss items		–20	–7
Net financial items	6	**3**	**36**
Profit/loss after financial items		**–28**	**6**
Appropriations	7	97	121
Profit before tax		**69**	**127**
Taxes	8	–15	–18
Net profit		**54**	**109**

Statement of comprehensive income

MSEK	Note	2023	2022
Net profit		**54**	**109**
Other comprehensive income			
Components that will not be reclassified to net profit		–	–
Components that will be reclassified to net profit		–	–
Other comprehensive income for the year		**–**	**–**
Total comprehensive income		**54**	**109**

Balance sheet

MSEK	Note	31 Dec 2023	31 Dec 2022
Assets			
Non-current assets			
Financial non-current assets			
Participations in Group companies	25	43	43
Receivables from Group companies		–	–
Total non-current assets		**43**	**43**
Current assets			
Current receivables			
Receivables from Group companies		807	380
Tax assets		–	–
Other receivables		1	1
Prepaid expenses and accrued income		2	2
Total current receivables		**810**	**383**
Cash and cash equivalents		–	–
Total current assets		**810**	**383**
Total assets		**853**	**426**

MSEK	Note	31 Dec 2023	31 Dec 2022
Equity and liabilities			
Equity	15		
Restricted equity			
Share capital		25	25
Non-restricted equity			
Retained earnings		64	–13
Net profit		54	109
Total equity		**143**	**121**
Untaxed reserves		**69**	**46**
Non-current liabilities			
Liabilities to credit institutions	21	298	50
Total non-current liabilities		**298**	**50**
Current liabilities			
Liabilities to credit institutions	21	58	6
Liabilities to Group companies		257	183
Accounts payable		3	2
Tax liabilities		11	8
Other liabilities		2	1
Accrued expenses and deferred income		12	9
Total current liabilities		**343**	**209**
Total liabilities		**641**	**259**
Total equity and liabilities		**853**	**426**

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Statement of changes in equity

MSEK	Restricted equity Share capital	Non-restricted equity Treasury shares	Retained earnings	Net profit	Total equity
Closing equity, 31 Dec 2021	**0**	**–**	**43**	41	**84**
Reversal of earnings			41	–41	**–**
Net profit				109	**109**
Other comprehensive income				–	**–**
Bonus issue[1]	25		–25		**–**
Repurchase of own shares		–87			**–87**
Sale of own shares		14	1		**15**
Closing equity, 31 Dec 2022	**25**	**–73**	**60**	**109**	**121**
Reversal of earnings			109	–109	**–**
Net profit				54	**54**
Other comprehensive income				–	**–**
Dividend			–49		**–49**
Sale of own shares		10	7		**17**
Closing equity, 31 Dec 2023	**25**	**–63**	**127**	**54**	**143**

[1] Pertains to a completed bonus issue in accordance with a resolution of the Extraordinary General Meeting on 26 January 2022.

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Cash-flow statement

MSEK	Note	2023	2022
Operating activities			
Profit after financial items		–28	6
Adjustments for non-cash items		0	0
Income taxes paid		–12	–21
Cash flow from operating activities before changes in working capital		**–40**	**–15**
Cash flow from changes in working capital			
Change in current receivables and liabilities to Group companies		–353	–177
Change in operating receivables		0	–2
Change in operating liabilities		5	2
Changes in working capital		**–348**	**–177**
Cash flow from operating activities		**–388**	**–192**
Investing activities			
Cash flow from investing activities		**–**	**–**
Cash flow before financing		**–388**	**–192**
Financing activities			
Repurchase of own shares		–	–87
Conveyance of own shares		17	15
Dividend paid		–49	–
Change in long-term receivables and liabilities to Group companies		–	–
Group contributions received		120	150
Borrowings		300	56
Repayment of loans		–	–
Cash flow from financing activities		**388**	**134**
Cash flow for the year		**–**	**–58**
Cash and cash equivalents at the beginning of the year		–	58
Exchange-rate differences in cash and cash equivalents		–	–
Cash and cash equivalents at year-end	27	**–**	**–**

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Notes

1 Accounting policies

Compliance with standards and legislation

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

The Parent Company financial statements and consolidated financial statements were approved for publication by the Board of Directors and President & CEO on 27 March 2024. The income statements and balance sheets of the Parent Company and the Group are subject to approval by the Annual General Meeting to be held on 7 May 2024.

Basis applied when preparing the financial statements

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

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

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

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

Changed accounting principles

A change has been made to IAS 1 Presentation of Financial Statements, aimed at enhancing the usefulness of disclosures about accounting policies by encouraging only essential policies to be described and explaining how these policies are applied. Accordingly, the description of accounting policies has been focused on essential principles and emphasized more on the application of these principles.

New IFRS that have not yet been applied

No other new or amended IFRS standards or IFRIC interpretations published by the IASB but not yet adopted by the EU are deemed to be relevant for the group’s financial reporting.

Principles of consolidation

Subsidiaries

Subsidiaries are entities over which Momentum Group AB has a controlling influence. Subsidiaries are recognised in accordance with the purchase method of accounting. This method entails that the acquisition of a subsidiary is viewed as a transaction through which the Group indirectly acquires the assets of the subsidiary and assumes its liabilities. The acquisition analysis determines the fair value, on the date of acquisition, of the identifiable assets, assumed debts and any non-controlling interests.

Contingent considerations are measured at fair value on the date of acquisition and remeasurement is performed for each financial statement and the difference is recognised in net profit. Changes in value due to discount rates and other interest components is reported as part of financial items. Other changes in value are reported as part of operating profit. If the acquisition does not pertain to 100 per cent of the subsidiary, a non-controlling interest arises. There are two methods for recognising non-controlling interests, and the choice between these alternatives can be determined on a case-by-case basis. Thus far, concerning all acquisitions where non-controlling interests have arisen, the group has accounted for these based on the non-controlling interest’s share of the proportional net assets.

Foreign currency

Transactions in foreign currency

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

Revenue

The Group’s primary revenue comprises the sale of goods, while a minor portion comprises sales of services. Revenue is recognised in an amount that reflects the consideration to which the company expects to be entitled for transferring products and/or services to a customer when control has been transferred to the customer.

Sale of goods

Revenue includes the fair value of the amount that has been, or will be, received for goods sold in the Group’s operating activities. Revenue is recognised net, less discounts, such as volume-related discounts. Revenue is recognised when control transfers to the buyer, which normally coincides with the time of delivery.

Service assignments

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

Leases

The Group recognises a right-of-use asset and a lease liability at the commencement date of the lease. The right-of-use asset is depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset or the end of the lease term, which for the Group is normally the end of the lease term. In cases when the cost of the right-of-use asset reflects that the Group will exercise an option to purchase the underlying asset, the asset is depreciated at the end of its useful life.
The lease liability, which is divided into non-current and current parts, is initially measured at the present value of remaining lease payments during the estimated lease term. When determining the lease term, the extension option is only included when it is reasonably certain that the option will be exercised. Periods after an option to terminate are only included in the lease term when it is reasonably certain that the termination option will not be exercised. For lease contracts concerning assets other than premises, the lease term primarily relies

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on the non-cancellable period of the lease. Regarding contracts for premises, extension options are mainly taken into account for agreements where the initial term of lease is less than 3 years.

Lease payments are discounted using the Group's incremental borrowing rate, which reflects the Group's credit risk. The incremental borrowing rate is an interest rate that reflects the term of each lease and the geographic location.

No right-of-use asset or lease liability is recognised for leases with a term of twelve (12) months or less, or where the underlying asset is of low-value, less than SEK 100 thousand. Lease payments for these leases are recognised on a straight-line basis over the term of the lease.

Financial income and expenses

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

Interest income on receivables and interest expenses on liabilities are calculated using the effective interest method.

Exchange gains and losses are recognised in a net amount.

Financial instruments

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

Classification and measurement

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

Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets investments and derivatives.

Financial assets measured at amortised cost

This category includes cash and cash equivalents, current investments, accounts receivable and any other receivables. The assets are recognised less expected credit losses. Any impairment requirement for the receivables is determined based on individual testing and on the basis of earlier experience of customer losses on similar receivables and the maturity structure.

Financial liabilities measured at amortised cost

Loans and other financial liabilities, such as accounts payable, are included in this category. Financial liabilities arising in connection with acquisitions in respect of issued put options on equity instruments in partly owned subsidiaries, which grant the holder the right to sell the remaining shares, are also included in this category. Recognition is initially at fair value after deductions for transaction costs.

Remeasurements related to put options issued on equity instruments in partly owned subsidiaries are recognised in equity since the final settlement is recognised as a transaction with non-controlling interests.

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

Financial liabilities at fair value through profit or loss

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

Derivatives and hedge accounting

Derivative instruments are initially measured at fair value. After the acquisition date, derivative instruments held for hedging purposes, meaning foreign-exchange forward contracts, are measured at fair value. The Group identifies certain derivatives as a hedge of a highly probable forecast transaction in foreign currency (cash-flow hedging). The effective portion of changes in the fair value of derivative instruments identified as cash-flow hedges are recognised in other comprehensive income and the accumulated changes in value are recognised in a separate component under equity (the hedging reserve). Any gains or losses attributable to the ineffective portion are recognised immediately in profit or loss. Accumulated amounts in equity are reversed to net profit in the periods in which the hedged item affects profit or loss (for example, when the forecast sale that is hedged takes place). If the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventories), or a non-financial liability, the hedging reserve is dissolved in other comprehensive income and included in the initial carrying amount of the asset or liability.

Contingent purchase considerations

Purchase considerations that are contingent on the outcome of future events are measured at fair value, with changes in value recognised in profit or loss. Contingent considerations are valued on the basis of the probability that a consideration will be paid.

Tangible non-current assets

Owned assets

Tangible non-current assets are recognised in the Group at cost, less accumulated depreciation and any impairment losses. The cost includes the purchase price and costs directly attributable to the asset to bring it to location and make it usable for the purpose intended with its procurement. Directly attributable costs primarily included in cost are expenses for shipping and handling, installation and other consulting services. Tangible non-current assets that consist of parts with different useful lives are treated as separate components of tangible non-current assets.

Depreciation policies

Assets are depreciated on a straight-line basis over their estimated useful lives. The Group applies component depreciation, which means that depreciation is based on the estimated useful life of individual components.

Estimated useful lives:

Machinery	3–10 years
Equipment	3–5 years

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

Intangible assets

Goodwill

Goodwill is measured at cost, less any accumulated impairment losses. Goodwill is distributed to each of the Group's cash-generating units, or groups of cash-generating units, expected to benefit from the synergies arising from the acquisition. Goodwill is not amortised. Instead, impairment testing is conducted on an annual basis. Group's cash-generating units are described in Note 9.

Other intangible assets

Other intangible assets acquired by the Group are recognised at cost less accumulated amortisation and impairment losses and mainly comprise customer relationships, supplier relationships and capitalised IT expenditure for development and purchases of software.

Depreciation policies

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

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Estimated useful lives:

Customer relations	3–10 years
Supplier relations	3–15 years
Software, IT investments	3–5 years

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

Impairment of tangible, intangible and right-of-use assets

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

Where it is not possible to allocate essentially independent cash flows to an individual asset, net assets are grouped at the lowest level at which essentially independent cash flows can be determined (cash-generating unit). Group's cash-generating units are described in Note 9. An impairment loss is recognised when an asset's or a cash-generating unit's carrying amount exceeds the recoverable amount. An impairment loss is recognised as a cost in net profit. .

Calculation of recoverable amount

The recoverable amount is the higher of fair value less selling expenses and value in use. For the purpose of calculating the value in use, future cash flows are discounted using a discount factor that reflects risk-free interest and the risk associated with the specific asset. No assets within the Group are independent of other assets, hence the recoverable amount is calculated for the cash-generating unit to which the asset belongs. The current discount factor for each cash-generating unit is disclosed in Note 9.

Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is primarily calculated by using a method based on a weighted average and includes expenditures arising during the acquisition of the inventory assets and transportation thereof to their current location and state or by applying the "first-in, first-out" (FIFO) method. Net realisable value is the estimated selling price in the operating activities, after deduction of the estimated costs for completion and for accomplishing a sale. When calculating and assessing the lower of cost and net realisable value, subsidiaries within the Group apply obsolescence scale, taking into account factors such as items with redundancy and a low turnover rate as well as discontinued items.

Employee benefits

Employee benefits are calculated based on a discount rate and are recognised as an expense when the related services have been received.

A provision is recognised for the expected cost of profit-share and bonus payments when the Group has a current legal or informal obligation to make such payments as a result of services received from employees and the obligation can be reliably calculated.

Defined-contribution pension plans

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

Defined-benefit pension plans

For salaried employees in Sweden, defined-benefit pension obligations for retirement and family pensions (or alternately family pensions) under the ITP 2 plan are secured through an insurance policy with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Recognition of ITP 2 pension plan financed through insurance with Alecta, this is a multi-employer defined-benefit plan. For the financial year, the company has not had access to information that would enable it to recognise its proportionate share of the plan's obligations, plan assets and expenses. It has therefore not been possible to recognise the plan as a defined-benefit plan. Accordingly, the ITP 2 pension plan secured through insurance with Alecta was recognised as a defined-contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually on the basis of such factors as salary, previously earned pension entitlement and estimated remaining period of employment. The expected fees for the next reporting period for ITP2 insurance signed with Alecta amount to approximately SEK 6 million.

The collective consolidation level consists of the market value of Alecta's assets as a percentage of insurance undertakings calculated in accordance with Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio is normally permitted to vary between 125 and 175 per cent. To strengthen the consolidation level if it is deemed to be too low, one measure that can be taken is to raise the agreed price for new policies and the expansion of existing benefits. If the consolidation level exceeds 150 per cent, premiums may be reduced. At the end of the third quarter of 2023, Alecta's surplus in the form of its collective solvency margin was 187 per cent (2022: 172).

Provisions

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

Guarantees

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

Taxes

Income taxes consist of current taxes and deferred taxes. Income taxes are recognised in net profit, except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is also recognised in other comprehensive income or in equity. Deferred tax assets pertaining to deductible temporary differences and loss carryforwards are recognised only to the extent that it is probable that it will be possible to utilise them. The value of deferred tax assets is reduced when it is no longer deemed probable that it will be possible to utilise them.

Cash-flow statement

Receipts and disbursements have been divided into the following categories: operating activities, investing activities and financing activities. The indirect method is applied for flows from operating activities. The changes in operating assets and operating liabilities for the year have been adjusted for effects of changes in exchange rates. Acquisitions and disposals are recognised in investing activities. The assets and liabilities held by the entities acquired and sold on the date of acquisition are not included in the analysis of changes in working capital, nor in the changes of balance-sheet items recognised in investing and financing activities.

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Parent Company accounting policies

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

Subsidiaries

Participations in subsidiaries are recognised in the Parent Company in accordance with the cost method. This means that transaction fees are included in the carrying amount for holdings in subsidiaries. In the consolidated financial statements, transaction fees are recognised directly in earnings when incurred.

Leased assets

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

Taxes

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

Group contributions and shareholder contributions

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

Financial instruments

The Parent Company has decided not to apply IFRS 9 to financial instruments. However, some of the principles in IFRS 9 are still applicable – such as impairment, recognition/derecognition, criteria for the application of hedge accounting and the effective interest method for interest income and expense. In the Parent Company, financial non-current assets are measured at cost less any impairment, while financial current assets are measured at the lower of cost or net realisable value. For financial assets recognised at amortised cost, the impairment requirements under IFRS 9 are applied.

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

2 Key estimates and judgements

The carrying amounts of certain assets and liabilities are based partly on judgements and estimates. The applies primarily to impairment testing of goodwill, but also to the assessment of obsolescence in the Group's various inventories. The accounting estimates made when applying the Group's accounting policies are described in more detail below.

Impairment testing of goodwill and other non-current assets

In accordance with IFRS, goodwill is not amortised. Instead, annual tests for indications of impairment are performed. Other intangible and tangible non-current assets are amortised and depreciated, respectively, over the period the asset is deemed to generate income. All intangible and tangible non-current assets are subject to annual testing for indications of impairment. Impairment tests are based on a review of forecasted future cash flows. The assumptions used when conducting impairment testing are described in Note 9.

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3 Segment reporting and specification of revenue from contracts with customers

Until December 31, 2023, the Group's operating segments were comprised of the business areas Components and Services. The operating segments are consolidations of the operational organisation, as used by Group management and the Board of Directors to monitor operations. Group management, comprising the CEO and CFO, are the Group's chief operating decision makers.

Components comprises operations in industrial components, services and solutions for industry, with expertise in industrial improvement as well as companies with leading specialist positions in their respective market niches. **Services** comprises operations in industrial services in Sweden that, through its services, offers longer life and efficiency of installed machines and carries out new installations. In addition, solutions are offered for digitalised maintenance. **Group-wide** includes the Group's management, finance and support functions. The support functions include internal communications, investor relations and legal affairs.

Intra-Group pricing between the segments occurs on market terms. No single customer in the Group accounts for more than 5 per cent of the Group's revenue. Revenue presented for the geographic markets is based on the domicile of the customers.

	2023					2022				
MSEK	**Components**	**Services**	**Group-wide**	**Eliminations**	**Group total**	**Components**	**Services**	**Group-wide**	**Eliminations**	**Group total**
Revenue										
From external customers per geographic area										
Sweden	1,602	358	–	–	**1,960**	1,228	340	–	–	**1,568**
Norway	52	5	–	–	**57**	40	5	–	–	**45**
Denmark	195	3	–	–	**198**	93	1	–	–	**94**
Other countries	81	2	–	–	**83**	29	3	–	–	**32**
From other segments	4	11	13	–28	**–**	5	14	9	–28	**–**
Total	**1,934**	**379**	**13**	**–28**	**2,298**	**1,395**	**363**	**9**	**–28**	**1,739**
Revenue										
From external customers by class of revenue										
Sale of goods	1,754	202	–	–	**1,956**	1,272	190,	–	–	**1,462**
Service assignments	173	161	–	–	**334**	115	155	–	–	**270**
Other revenue	3	5	–	–	**8**	3	4	–	–	**7**
From other segments	4	11	13	–28	**–**	5	14	9	–28	**–**
Total	**1,934**	**379**	**13**	**–28**	**2,298**	**1,395**	**363**	**9**	**–28**	**1,739**
EBITA	**255**	**37**	**–27**	**–**	**265**	**187**	**40**	**–23**	**–**	**204**
Items affecting comparability	–	–	–	–	**0**	–	–	–6	–	**–6**
Amortisation of intangible assets in connection with corporate acquisitions	–22	–6	–	–	**–28**	–7	–6	–	–	**–13**
Operating profit	**233**	**31**	**–27**	**–**	**237**	**180**	**34**	**–29**	**0**	**185**
Net financial items	–	–	–15	–	**–15**	–	–	–8	–	**–8**
Profit/loss after net financial items	**233**	**31**	**–42**	**–**	**222**	**180**	**34**	**–37**	**0**	**177**
Goodwill	413	77	–	–	**490**	223	77	–	–	**300**
Other assets	1,357	269	223	–477	**1,372**	767	284	198	–376	**873**
Total assets	**1,770**	**346**	**223**	**–477**	**1,862**	**990**	**361**	**198**	**–376**	**1,173**
Total liabilities	**834**	**164**	**685**	**–477**	**1,206**	**570**	**175**	**279**	**–376**	**648**
Other disclosures										
Investments	11	1	–	–	**12**	5	0	–	–	**5**
Depreciation and amortisation	–71	–28	–1	–	**–100**	–41	–26	–1	–	**–68**

The columns "Group-wide" and "Eliminations" pertaining to assets comprise eliminations of intra-segment receivables of SEK –477 million (–376), intra-segment receivables of SEK 217 million (191) and undistributed assets of SEK 6 million (7). The columns "Group-wide" and "Eliminations" pertaining to liabilities comprise eliminations of intra-segment liabilities of SEK –376 million (–477), intra-segment liabilities of SEK 259 million (183) and undistributed liabilities of SEK 426 million (96).

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Note 3: Segment reporting and specification of revenue from contracts with customers, cont.

Information about revenue by class of revenue for the Parent Company

Revenue, MSEK	Parent Company 31 Dec 2023	Parent Company 31 Dec 2022
Service assignments	17	13
Other revenue	0	0
Total	**17**	**13**

Service assignments in the Parent Company pertain entirely to intra-Group services.

Information concerning non-current assets by geographic area

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

Non-current assets, MSEK	31 Dec 2023	31 Dec 2022
Sweden	701	370
Norway	85	31
Denmark	29	–
Other countries	1	1
Group total	**816**	**402**

4 Employees and personnel costs

Average number of employees by country	2023			2022		
	Men	Women	Total	Men	Women	Total
Sweden, Parent Company	6	3	**9**	5	3	**8**
Sweden, other subsidiaries	466	93	**559**	395	78	**473**
Norway	11	0	**11**	10	0	**10**
Denmark	41	10	**51**	30	6	**36**
Other countries	8	2	**10**	1	–	**1**
Group total	**532**	**108**	**640**	**441**	**87**	**528**

Percentage women	2023	2022
Parent Company		
Board of Directors	40	40
Group management	0	0
Group		
Boards of directors	5	5
Other senior executives[1]	25	26

[1] The category "Other senior executives" includes individuals in management groups of Group companies.

Costs for employee benefits	2023	2022
Parent Company		
Salaries and other remuneration	22	18
Pension costs	3	3
Social security contributions	8	6
Subsidiaries		
Salaries and other remuneration	385	278
Pension costs	32	25
Social security contributions	112	83
Group total	**562**	**413**

Salaries and other remuneration to the Board of Directors and Group management of Momentum Group

Board of Directors

Fees to the Chairman of the Board and other directors have been paid in accordance with the resolution of the Annual General Meeting in February 2022 according to the table below. Special remuneration of SEK 150 thousand was paid to Chairman of the Audit Committee.

Board of Directors, KSEK	2023 Director fees	2023 Other salaries and remuneration	2023 Total	2022 Director fees	2022 Other salaries and remuneration	2022 Total
Johan Sjö, Chairman[1]	640	–	**640**	625	–	**625**
Stefan Hedelius, Director[1]	255	–	**255**	250	–	**250**
Gunilla Spongh, Director[2]	405	–	**405**	400	–	**400**
Ylva Ersvik, Director	255	–	**255**	250	–	**250**
Anders Claeson, Director	255	–	**255**	250	–	**250**
Total	**1,810**	**–**	**1,810**	**1,775**	**–**	**1,775**

[1] Member of the Compensation Committee.
[2] Audit Committee Chairman.

Group management 2023, KSEK	Fixed salary	Variable salary	Other benefits	Pension costs	Total
Ulf Lilius, President & CEO	5,160	2,460	4	1,269	**8,893**
Niklas Enmark, Executive Vice President and CFO	2,873	1,128	89	868	**4,958**
Total	**8,033**	**3,588**	**93**	**2,137**	**13,581**

Group management 2022, KSEK	Fixed salary	Variable salary	Other benefits	Pension costs	Total
Ulf Lilius, President & CEO	4,659	2,228	4	1,339	**8,230**
Niklas Enmark, Executive Vice President and CFO	2,706	1,022	88	820	**4,636**
Total	**7,365**	**3,250**	**92**	**2,159**	**12,866**

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Note 4: Employees and personnel costs, cont.

Group management
Salaries and remuneration to the Group's management for the financial year have been paid in accordance with the guidelines for remuneration adopted by the Annual General Meeting in February 2022 (see below).

President & CEO
Ulf Lilius has been President & CEO of Momentum Group AB since 1 November 2021. During the period in which Momentum Group was an operating segment, Ulf Lilius served as head of the segment as well as President & CEO of the Alligo Group.

Other senior executives
In this note, other senior executives refers to Group management excluding the President & CEO. In addition to Ulf Lilius, Group management comprises Niklas Enmark, Executive Vice President & CFO of Momentum Group AB since 1 November 2021. During the period in which Momentum Group was an operating segment, Niklas Enmark served as Executive Vice President as well as CFO of the Alligo Group.

Guidelines for determining remuneration and other terms of employment for senior executives

The Annual General Meeting on 11 February 2022 resolved on the following guidelines for remuneration and other terms of employment for senior executives. The guidelines are to be applied for remuneration to senior executives within the company as agreed after the 2022 Annual General Meeting and to subsequent amendments to already agreed remuneration after the Annual General Meeting. The guidelines do not apply to remuneration resolved by the General Meeting of Shareholders. As regards employment relationships governed by other rules than Sweden's, that refer to pension benefits and other benefits, appropriate adjustments may take place to comply with mandatory rules or established local standards, and to satisfy, as far as possible, the overarching purpose of these guidelines. Items stipulated for the company also apply where applicable for the Group.

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

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

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

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

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

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

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

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

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

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

Conditions in the case of termination
All senior executives must observe a period of notice of up to 6 months if notice is given by the employee. If employment is terminated by the Company, the period of notice applied is up to 12 months. If employment is terminated by the Company, senior executives may be entitled, in addition to salary and other employment benefits during the period of notice, to severance pay corresponding to up 12 months fixed salary. Severance pay is not offset against other income. No severance pay is to be paid if notice is given by the employee. In addition to severance pay, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid when the former executive is not entitled to severance pay. Remuneration shall be based on the fixed salary paid on the date of termination and shall amount to not more than 60 per cent of the fixed salary on the date of termination, subject to mandatory collective agreement provisions, and be paid

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Note 4: Employees and personnel costs, cont.

for the period covered by the non-compete undertaking, which shall amount to not more than 12 months after the end of employment.

Salary and terms of employment

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

Preparation and decision-making process

The Board of Directors has approved the establishment of a Compensation Committee. The Committee's duties include preparing principles for remuneration of senior executives and the Board's decision on proposals for guidelines for remuneration of senior executives. The Board shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting of Shareholders. The Compensation Committee shall also monitor and evaluate the programme for variable remuneration of senior executives, the application of the guidelines for the remuneration of senior executives, as well as the current remuneration structures and compensation levels in the company. Remuneration of the President & CEO shall be decided by the Board of Directors after being prepared and recommended by the Compensation Committee, within the scope of established remuneration principles. Remuneration of other senior executives shall be decided by the Compensation Committee, within the scope of established remuneration principles and after consulting with the President & CEO. The President & CEO and other senior executives do not participate in the Board's or Compensation Committee's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Share-based incentive programmes resolved by the General Meeting

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

Derogation from the guidelines

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

5 Fees to auditors

	Group		Parent Company	
MSEK	**2023**	**2022**	**2023**	**2022**
KPMG				
Audit assignment	2	2	1	1
Tax advisory services	–	–	–	–
Other assignments	–	–	–	–
Total fees to KPMG	**2**	**2**	**1**	**1**
Other auditors				
Audit assignment	1	0	–	–
Tax advisory services	0	–	–	–
Other assignments	0	–	–	–
Total fees to other auditors	**1**	**0**	**–**	**–**
Total fees to auditors	**3**	**2**	**1**	**1**

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

6 Financial income and expenses

Group, MSEK	**2023**	**2022**
Exchange rate effects	3	0
Other financial income	3	1
Financial income	**6**	**1**
Interest expenses on liabilities to credit institutions	–14	–4
Interest expenses on leases	–4	–2
Interest expenses related to deferred payments and contingent considerations for acquisitions	–1	0
Interest expenses on liabilities to Alligo AB	–	–1
Other financial expenses	–2	–2
Financial expenses	**–21**	**–9**
Net financial items	**–15**	**–8**

Financial income and expenses mainly pertain to assets and liabilities measured at amortised cost.

Parent company, MSEK	**2023**	**2022**
Dividends received, subsidiaries	–	40
Profit from participations in Group companies	**–**	**40**
Interest income, Group companies	22	3
Other financial income	1	0
Other interest income and similar profit/loss items	**23**	**3**
Interest expenses on liabilities to credit institutions	–14	–4
Interest expenses, Group companies	–5	–1
Interest expenses on liabilities to Alligo AB	–	–1
Other financial expenses	–1	–1
Interest expenses and similar profit/loss items	**–20**	**–7**
Net financial items	**3**	**36**

7 Appropriations

Parent company, MSEK	**2023**	**2022**
Group contributions received	120	150
Tax allocation reserve, provision for the year	–23	–29
Total	97	121

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8 Taxes

Taxes recognised in profit or loss

	Group		Parent company	
MSEK	**2023**	**2022**	**2023**	**2022**
Tax expense for the period	–44	–32	–15	–18
Adjustment of taxes attributable to earlier years	0	0	–	–
Deferred tax	–5	–5	–	–
Total recognised tax expense	**–49**	**–37**	**–15**	**–18**

Reconciliation of effective tax

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

	Group				Parent company			
MSEK	**2023**	**%**	**2022**	**%**	**2023**	**%**	**2022**	**%**
Profit before tax	222		177		69		127	
Taxes at an average tax rate	–46	20.7	–36	20.6	–14	20.6	–26	20.6
Tax effect of:								
Taxes attributable to earlier years	0	0.0	0	0.0	–	–	–	–
Non-deductible expenses	–3	1.4	–1	0.3	–1	1.4	0	0.0
Non-taxable income	0	0.0	0	0.0	0	0.0	8	–6.3
Total tax	**–49**	**22.1**	**–37**	**20.9**	**–15**	**22.0**	**–18**	**14.3**

Taxes recognised in the statement of comprehensive income

Group, MSEK	**2023**	**2022**
Deferred tax on hedging instruments	0	0
Total	0	**0**

Deferred tax recognised in the balance sheet

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

	31 Dec 2023			31 Dec 2022		
Group, MSEK	Assets	Liabilities	**Net**	Assets	Liabilities	**Net**
Intangible assets	–	–64	**–64**	–	–18	**–18**
Hedging instruments	0	0	**0**	0	0	**0**
Untaxed reserves	–	–45	**–45**	–	–32	**–32**
Loss carryforwards	0	–	**0**	0	–	**0**
Other	2	–1	**1**	2	–1	**1**
Total	**2**	**–110**	**–108**	**2**	**–51**	**–49**

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

Group, MSEK	**31 Dec 2023**	**31 Dec 2022**
Opening balance at the beginning of the year, net	**–49**	–33
Taxes charged against net profit	–5	–5
Taxes on items recognised in consolidated comprehensive income	0	0
Taxes on business combinations	–55	–10
Translation differences	1	–1
Closing balance at year-end, net	**–108**	**–49**

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9 Intangible non-current assets

Group, MSEK	2023 Goodwill	2023 Customer relation-ships	2023 Supplier relationships	2023 Other[1]	2023 Total	2022 Goodwill	2022 Customer relation-ships	2022 Supplier relation-ships	2022 Other[1]	2022 Total
Carrying amount at the beginning of the year	300	82	–	1	**383**	236	47	–	1	**284**
Investments	–	–	–	0	**0**	–	–	–	0	**0**
Acquisition of businesses	192	130	115	1	**438**	63	47	–	–	**110**
Depreciation for the year	–	–24	–4	0	**–28**	–	–13	–	0	**–13**
Translation differences	–2	–2	–	0	**–4**	1	1	–	0	**2**
Carrying amount at year-end	**490**	**186**	**111**	**2**	**789**	**300**	**82**	**–**	**1**	**383**
Accumulated cost	490	242	115	4	**851**	300	114	–	3	417
Accumulated depreciation	-	–56	–4	–2	**–62**	–	–32	–	–2	**–34**

[1] Other includes software, licenses and other IT-related assets.

Impairment testing of goodwill

The recognised value of goodwill is tested for impairment annually. Prior to the balance-sheet date on 31 December 2023, testing was carried out using the balance sheet on 30 September 2023 as a base. The test was also updated in conjunction with year-end accounts on 31 December 2023. The Group's recognised goodwill value of SEK 490 million has been allocated by operating segment according to the table below:

Goodwill, MSEK	31 Dec 2023	31 Dec 2022
Components	413	223
Of which, Momentum Industrial	*140*	*140*
Of which, Specialist	*273*	*83*
Services	77	77
Total goodwill	**490**	**300**

Momentum Group has historically conducted a large number of acquisitions. Goodwill is distributed to each of Momentum Group's cash-generating units, or groups of cash-generating units, expected to benefit from the synergies arising from the acquisition. The Components operating segment comprises two groups of cash-generating units and the Services operating area comprise one group of cash-generating units. This corresponds to the lowest level in the Group at which goodwill is monitored as part of internal governance, and annual impairment testing of goodwill is conducted at this level.

Considering that the Group implemented a new Group structure as of January 1, 2024, dividing the operations into two business areas, Industry and Infrastructure, impairment testing has also been conducted at this level. Both the Industry and Infrastructure business areas consist of two groups of cash-generating units. The basis of impairment testing and the assessment of future cash flows is based on the target scenario for each cash-generating unit (corresponding to the Group's budget process) for the forthcoming financial year, with forecasts of earnings and cash flows for subsequent years. The target scenario is determined by the company's Board of Directors.

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

Cash flows have been discounted by a weighted capital cost for borrowed capital and equity, and are presented in the table below for each cash-generating unit. The discount rate is applied to an asset base, excluding right-of-use assets, with lease payments included in the cash flow of each cash-generating unit. The discount rate is thus comparable between years and is not impacted by the implementation of IFRS 16. The testing of goodwill values did not indicate any impairment requirement.

Discount rate, before tax, %	31 Dec 2023	31 Dec 2022
Components – cash-generating unit Momentum Industrial	9.0	10.0
Components – cash-generating unit Specialist	12.5	13.0
Services	12.0	12.0

A reasonable change in key assumptions would not result in an impairment requirement.

Contents

10 Tangible non-current assets

Group, MSEK	2023 Machinery	2023 Equipment	2023 Leasehold improve-ments	2023 Construc-tion in pro-gress	2023 Total	2022 Machinery	2022 Equipment	2022 Leasehold improve-ments	2022 Construc-tion in pro-gress	2022 Total
Carrying amount at the beginning of the year	4	14	1	–	**19**	5	12	0	–	**17**
Investments	1	11	0	0	**12**	1	4	–	–	**5**
Acquisition of subsidiaries	1	4	–	–	**5**	0	2	1	–	**3**
Depreciation for the year	–2	–6	0	–	**–8**	–2	–4	0	–	**–6**
Sales and disposals	0	–1	0	–	**–1**	–	0	–	–	**–**
Reclassifications	0	0	–	–	**0**	–	–	–	–	**–**
Translation differences	0	0	0	–	**0**	0	0	0	–	**0**
Carrying amount at year-end	**4**	**22**	**1**	**0**	**27**	4	**14**	**1**	**–**	**19**
Accumulated cost	17	70	4	0	**91**	28	53	4	–	**85**
Accumulated deprecia-tion	–13	–48	–3	–	**–64**	–24	–39	–3	–	**–66**

11 Leases

The Group's lease portfolio primarily comprises leases related to warehouse and store facilities, workshops and vehicles. The average term of leases for premises is three to five years. Extension options are mainly taken into account for those leases with an ordinary term of less than three years, unless specific circumstances indicate with reasonable certainty that the option to extend will be exercised. The lease term for vehicles and other assets essentially corresponds to the non-cancellable period of the lease.

Right-of-use assets

Group, MSEK	Premises	Vehicles	Other	Total
Closing balance, 31 Dec 2021	**110**	**16**	**1**	**127**
Acquisitions	27	15	2	**44**
Extensions and remeasurements	16	0	0	**16**
Depreciation during the year	–36	–12	–1	**–49**
Translation differences	0	0	0	**0**
Closing balance, 31 Dec 2022	**117**	**19**	**2**	**138**
Acquisitions	55	27	1	**83**
Extensions and remeasurements	39	–1	0	**38**
Depreciation during the year	–49	–14	–1	**–64**
Translation differences	–1	0	0	**–1**
Closing balance, 31 Dec 2023	**161**	**31**	**2**	**194**

Cash flow

The total cash flow for leases amounted to SEK –72 million (–53) during the financial year. This amount includes amounts recognised as lease liabilities, and amounts paid for variable lease payments, short-term leases and low-value leases.

Lease liabilities

A maturity analysis of lease liabilities is presented in Note 21 Financial risks and risk management.

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Note 11: Leases, cont.

Amounts recognised in profit or loss

Profit or loss shows the following amounts relating to leases in the Group:

MSEK	2023	2022
Depreciation of right-of-use assets	–64	–49
Interest on lease liabilities	–4	–2
Variable lease payments not included in the measurement of the lease liability	0	0
Income from sub-leasing of right-of-use assets	0	0
Cost of short-term leases	0	0
Cost of low-value leases, non-short-term leases of low value	–3	–2

Disclosure concerning operating leases in the Parent Company

	Parent company	
Non-cancellable lease payments amount to:	**31 Dec 2023**	**31 Dec 2022**
Leases in which the company is the lessee		
Within 1 year	1	1
Between 1 and 5 years	2	2
Later than 5 years	–	–
Total	**3**	**3**

	Parent company	
Expensed operating lease payments amount to:	**2023**	**2022**
Minimum lease payments	1	2
Total lease expenses	**1**	**2**

12 Inventories

Group, MSEK	31 Dec 2023	31 Dec 2022
Finished goods and goods for resale	366	285
Total	**366**	**285**

Cost of goods sold includes net change in the Group's obsolescence reserve and impairment losses during the year of SEK –5 million (–11). Net change includes realisation of previously impaired items.

13 Prepaid expenses and accrued income

Group, MSEK	31 Dec 2023	31 Dec 2022
Prepaid expenses		
Computer costs and IT	2	1
Insurance	2	1
Financial expenses	1	2
Other prepaid expenses and cost reductions	10	8
Deferred income		
Delivery of goods	20	8
Other accrued income	3	2
Total	**38**	**22**

14 Long-term receivables and other receivables

Group, MSEK	31 Dec 2023	2022 -12-31
Long-term receivables classified as non-current assets		
Long-term receivables	2	1
Total	**2**	**1**
Other receivables classified as current assets		
VAT receivable	0	0
Tax account	6	2
Derivative hedging instruments	0	1
Receivables arising in conjunction with acquisitions	1	1
Other receivables	2	2
Total	**9**	**6**

15 Equity

The distribution by class of shares is presented in the table below. All shares entitle their holders to the same rights to the Company's remaining net assets. For shares held in treasury, all rights are rescinded until these shares have been reissued.

Distribution between number of shares and quotient value of the shares

Class of share	31 Dec 2023	31 Dec 2022
Class A shares	564,073	564,073
Class B shares	49,916,816	49,916,816
Total number of shares before repurchasing	**50,480,889**	**50,480,889**
Less: Repurchased Class B shares	–1,083,026	–1,259,624
Total number of shares after repurchasing	**49,397,863**	**49,221,265**

The table below shows the changes for the year in the number of shares by class of shares and the quotient value of the shares:

Class A shares	31 Dec 2023	31 Dec 2022
Number of shares at the beginning of the year	564,073	25,000
Change in conjunction with bonus issue and share split on 26 January 2022	–	539,073
Number of shares at year-end	**564,073**	**564,073**
Quotient value per share (SEK)	**0.50**	**0.50**
Class B shares	**31 Dec 2023**	**31 Dec 2022**
Number of shares at the beginning of the year	49,916,816	–
Change in conjunction with bonus issue and share split on 26 January 2022	–	49,916,816
Number of shares at year-end	**49,916,816**	**49,916,816**
Quotient value per share (SEK)	**0.50**	**0.50**

According to Momentum Group AB's Articles of Association, holders of Class A shares are entitled to request that such shares be converted to Class B shares. The company's Class A shares entitle the holder to ten votes each and the company's Class B shares entitle the holder to one vote each.

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Note 15: Equity, cont.

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

Repurchased shares include the acquisition cost of treasury shares held by the Parent Company, its subsidiaries and associated companies. As of 31 December 2023, the Group held 1,083,026 own shares (1,259,624) in treasury. All treasury shares are held by the Parent Company.

Translation reserve

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

Group, MSEK	31 Dec 2023	31 Dec 2022
Translation reserve		
Opening translation reserve	4	1
Translation effect for the year	–5	3
Closing translation reserve	–1	4

Hedging reserve

The hedging reserve covers the change in value of the foreign-exchange forward contracts hedged.

Group, MSEK	31 Dec 2023	31 Dec 2022
Hedging reserve		
Opening hedging reserve	0	0
Fair value changes for the year in cash-flow hedges	–1	0
Tax attributable to hedges for the year	0	0
Fair value changes in cash-flow hedges transferred to net profit	0	0
Tax attributable to hedges transferred to net profit	0	0
Closing hedging reserve	–1	0

Parent Company

Restricted funds

Restricted funds may not be reduced through dividends.

Non-restricted equity

Retained earnings comprise earnings generated in previous years after any dividends are paid. Together with net profit, less holdings of treasury shares, comprises total non-restricted equity, meaning the amount available to be distributed to the shareholders. As of the balance-sheet date, total equity in Momentum Group AB amounted to SEK 143 million, of which SEK 25 million was restricted equity.

Dividend

After the balance-sheet date, the Board of Momentum Group AB proposed a dividend of SEK 1.10 (1.00) per share, corresponding to a pay-out ratio of approximately 32 per cent of earnings per share. Taking into account the Class B shares repurchased by the Company, the proposed dividend corresponds to a total of approximately SEK 54 million. The proposed dividend is in line with the Company's dividend policy, which states that at least 30 per cent of earnings per share are to be distributed over a business cycle. The dividend is subject to approval by the Annual General Meeting to be held on 7 May 2024.

Proposed appropriation of profit, SEK	
The following funds are at the disposal of the General Meeting of Shareholders:	117,606,134
The Board of Directors proposes that the shareholders receive a dividend of SEK 1.10 per share	54,337,649
That the remaining profit be brought forward	63,268,485
Total	**117,606,134**

16 Earnings per share

SEK	2023	2022
Earnings per share	3.45	2.70

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

Earnings per share

The calculation of earnings per share for the financial year is based on net profit in Momentum Group attributable to the Parent Company shareholders divided by the average number of shares outstanding. The two components are as follows:

Net profit attributable to Parent Company shareholders	2023	2022
Net profit, MSEK	170	137

Weighted average number of shares during the year (thousands of shares)	2023	2022
Total number of shares at the end of the financial year	50,481	50,481
Effect of holding of treasury shares	–1,181	–690
Number of shares for calculation of earnings per share	**49,300**	**49,791**

There are no potential ordinary shares that could give rise to a dilution effect, which means that earnings per share before and after dilution are the same.

Contents

17 Other non-current liabilities and other provisions

Group, MSEK	31 Dec 2023	31 Dec 2022
Other non-current liabilities		
Option liability, acquisitions	53	40
Contingent purchase considerations	30	11
Deferred payment, acquisitions	16	–
Total	**99**	**51**
Specification option liability		
Carrying amount at the beginning of the period	40	22
Acquisition of partly owned subsidiary	15	29
Remeasurement pertaining to the change in ownership share in partly owned subsidiary	–	–11
Other unrealised changes in value	–2	0
Carrying amount at the end of the period	**53**	**40**
Specification contingent purchase considerations		
Carrying amount at the beginning of the period	11	–
Contingent purchase consideration, acquisitions	23	11
Change in value	0	–
Change in value related to discounting factor	1	–
Confirmed or settled during the period	–5	–
Carrying amount at the end of the period	**30**	**11**

Group, MSEK	31 Dec 2023	31 Dec 2022
Specification deferred payment		
Carrying amount at the beginning of the period	–	–
Acquisitions	15	–
Change in value related to discounting factor	1	–
Reclassified as short-term	–	–
Settled during the period	–	–
Carrying amount at the end of the period	**16**	–
Provisions classified as non-current liabilities		
Guarantee commitments	0	0
Other	0	0
Total	**0**	**0**
Specification		
Carrying amount at the beginning of the period	0	0
Provisions made during the period	0	0
Amount utilised during the period	0	0
Translation differences	–	–
Carrying amount at the end of the period	**0**	**0**

18 Other liabilities

Group, MSEK	31 Dec 2023	31 Dec 2022
Employee withholding taxes	10	7
VAT liability	44	28
Derivative hedging instruments	2	–
Advance payments from customers	9	7
Deferred payment, acquisitions	0	10
Other operating liabilities	0	0
Total	**65**	**52**

19 Accrued expenses and deferred income

	Group		Parent company	
Group, MSEK	**31 Dec 2023**	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Accrued expenses				
Salaries and remuneration to employees	77	54	6	5
Social security contributions	41	32	5	2
Auditors' fees	1	1	0	0
Other consulting fees	2	1	1	1
Car and travel expenses	1	1	–	–
Shipping costs	0	1	–	–
IT and computer costs	1	2	–	–
Other accrued expenses	10	10	0	1
Deferred income				
Bonuses, refunds to customers	2	2	–	–
Other deferred income	0	0	–	–
Total	**135**	**104**	**12**	**9**

20 Pledged assets and contingent liabilities

The Group has no pledged assets, guarantees or other contingent liabilities.

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21 Financial risks and risk management

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

Financial operations

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

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

Capital management

In the Group, capital is defined as equity in accordance with the balance sheet. The company's goal regarding capital structure and financial position is that they should enable the Group to have favourable availability of cash and cash equivalents, that the cost of borrowed capital should be kept at market rate, that the return on cash and cash equivalents should be satisfactory and that the risk in investments and exposures should be kept low, taking into account the needs of the operations and secure future acquisitions. A prerequisite for this is that the Group has a long-term favourable financial position and meets the financial commitments included in the loan agreements.

Financial instruments and hedge accounting

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

Foreign-exchange risk

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

Transaction exposure

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

Annual net flow by currency (countervalue in MSEK)

Currency	2023	2022
EUR	–190	–149
NOK	22	21
USD	–9	–1
GBP	–12	–11

The Group has its primary customer markets in Sweden, Norway, Denmark and Finland, with sales in SEK, NOK, DKK and EUR, respectively. The transaction exposure in DKK is not deemed to be significant since it primarily pertains to operations that have DKK as their functional currency. The purchasing that takes place outside the Nordic regions is mainly paid in EUR.

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

Group companies hedge parts of their future currency outflows in foreign currency using foreign-exchange forward contracts, in accordance with the Financial Policy. Most of the hedging of exchange-rate changes is conducted for the time period deemed necessary to allow sales prices to be adjusted to the new foreign-exchange rates. According to the basic hedging model, the forecast currency flows are hedged in accordance with a model where up to 75 per cent is hedged for a maximum of 12 months forward. The Group has a currency council for the purpose of determining the hedging strategy to be employed within the framework of the Financial Policy. The Group's treasury function prepares information on up-to-date historical cash flows on a quarterly basis, which is then used as the basis for assessing the level of hedging strategy and hedging ratio. Historical cash flows are also used to assess the effectiveness of the hedges. Accordingly, only a smaller proportion of foreign-exchange forward contracts have terms of six to 12 months and are based on forecasts. Correspondingly, foreign-exchange forward hedging takes place for sales in foreign currencies when the costs are in local currency. None of the currency hedges entered into are deemed to be ineffective. The nominal amounts and average exchange rates for outstanding foreign-exchange forward contracts are presented in the table below.

	31 Dec 2023		31 Dec 2022	
Foreign-exchange forward contracts	Nominal value	Average rate	Nominal value	Average rate
NOK/SEK	10	1.01	9	1.06
EUR/SEK[1]	47	11.61	29	10.71
GBP/SEK[1]	3	13.28	2	12.38

[1] Foreign-exchange forward contracts for purchase of currency.

Translation exposure of earnings

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

MSEK	2023	2022
Revenue		
Outcome translated to average rate for the preceding year	2,280	1,734
Currency translation comparable units		
DKK	9	3
NOK	0	0
Currency translation acquired units		
DKK	7	2
EUR	2	0
Total currency translation	**18**	**5**
Outcome	**2,298**	**1,739**

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Note 21 Financial risks and risk management, cont.

	2023	2022
Operating profit		
Outcome translated to average rate for the preceding year for comparable units	233	185
Currency translation		
DKK	1	0
NOK	0	0
Currency translation acquired units		
DKK	0	0
EUR	0	0
Total currency translation	**1**	**0**
Outcome	**234**	**185**

The Group has net exposures in a small number of foreign currencies. The table below shows the effect on the Group's revenue and operating profit if the rates for the exposure currencies were to change by 5 per cent.

Change in rate for underlying exposure currencies +/– 5%

MSEK	2023	2022
Effect		
Revenue	13	5
Operating profit	1	0

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

	Average rate		Balance-sheet rate	
Currency	**2023**	**2022**	**2023**	**2022**
NOK	1.005	1.052	0.987	1.057
EUR	11.471	10.627	11.096	11.128
USD	10.604	10.109	10.042	10.437
DKK	1.539	1.428	1.489	1.496

Translation exposure of equity

The value of the net assets of foreign subsidiaries is translated to SEK at year-end at the exchange rate in effect on the balance-sheet date. The exchange-rate difference between the years is recognised against equity through other comprehensive income. Translation exposure relating to the net assets of foreign subsidiaries are not currently hedged.

Net assets in foreign subsidiaries by currency

Currency, MSEK	31 Dec 2023	31 Dec 2022
DKK	121	48
NOK	1	0
EUR	54	0

Interest-rate risks

Interest-rate risk refers to the risk that changes in the market interest rate will have a negative impact on the Group's net interest income. The speed at which an interest-rate change has an effect depends on the length of the period of fixed interest on the loans and the type of hedging instruments used. Both the market interest rate and the Group's earnings are expected to follow the general economic cycle. Hence, the Group's Financial Policy stipulates that the period of fixed interest is normally to be short-term, with at least 50 per cent of the loans having a fixed-interest period of less than one year. In order to further manage the risk of higher market interest rates in the future, Momentum Group's Financial Policy also stipulates that different forms of interest derivatives may be used to limit interest-rate risk. As of 31 December 2023, the Group holds no interest derivative instruments.

The debt portfolio comprises a committed credit facility and revolving credit facilities with fixed-interest periods of three months. The most important variable interest rate is STIBOR. Liabilities to credit institutions per underlying currency are presented in the table below. Given the same average net loan liability during the year and same fixed-interest periods, a change in the market interest rate of 1 percentage point would result in a change in interest expense of approximately SEK 2 million. The calculation is based on the assumption that the Group had equivalent average net loan liability throughout 2023.

Liabilities to credit institutions by currency

MSEK	Currency	31 Dec 2023	31 Dec 2022
Committed credit facility	SEK	58	6
Revolving credit facility	SEK	225	50
Revolving credit facility	DKK	45	–
Revolving credit facility	EUR	28	–

Liquidity and refinancing risks

Liquidity and refinancing risk pertains to the risk that the Group is unable to fulfil its payment obligations due to insufficient liquidity and that the possibility of financing is limited when loans are due for rescheduling. The Group's Financial Policy stipulates that borrowing and trading in financial instruments may only be conducted with one of the large Nordic commercial banks. Current investments of any surplus liquidity are made with terms of one to six months at current market interest rates. The counterparty for deposits is always one of the large Nordic commercial banks. At the end of the financial year, the Parent Company had access to a committed credit facility of SEK 200 million, of which SEK 142 million was unutilised, and a revolving credit facility totalling SEK 800 million, of which SEK 502 million was unutilised. Handelsbanken is the lender for both credit facilities.

The committed credit facility has a maturity of one year from the date of issue (falls due in March), with the option to extend the facility after a standard credit rating. After the balance-sheet date, the committed credit facility was extended until 31 March 2025. The committed credit facility is linked to a multi-currency cash pool, which means that the credit facility can be utilised in several different currencies but that its utilisation will be denominated in SEK vis-a-vis the lender and that the interest rate on utilisation is based on STIBOR.

The revolving credit facility has an initial maturity of three years from the date of issue and can be extended for a further year plus one additional year, for a total maximum of five years. Momentum Group decided during the year to exercise this two-year extension option, and the current revolving facility therefore extends until 31 December 2026. This credit facility represents a binding commitment from Handelsbanken to issue a revolving loan within the framework of the facility as long as the Group fulfils certain financial obligations. The revolving loan can be withdrawn with various fixed-interest periods (one, three or six months) and in various currencies (SEK, EUR, NOK, DKK or USD).

The external financing is linked to financial covenants that the Group is obligated to fulfil every quarter. The primary covenants by which Momentum Group is measured are the interest coverage ratio and the equity/assets ratio. There are specific definitions for each component. As of 31 December 2023, all financial covenants were fulfilled. Cash and cash equivalents, including unutilised granted credit facilities (based on Handelsbanken's commitment as an external creditor), totalled SEK 691 million.

The Group's financing risk is also dependent on the possibility of refinancing loans as they mature. The Group's financial liabilities at year-end amounted to SEK 890 million and the maturity structure of the loan liabilities is presented in the table below. A table showing the Group's financial assets and liabilities is presented in Note 23 Financial assets and liabilities.

Contents

Note 21 Financial risks and risk management, cont.

Maturity structure financial liabilities (undiscounted cash flows)

	31 Dec 2023		Matures		
MSEK	Carrying amount	Future payment amount	Within 1 year	After 1 year, but within 5 years	After 5 years
Interest-bearing financial liabilities to credit institutions	356	409	18	391	–
Interest-bearing lease liabilities	188	200	73	110	17
Interest-bearing deferred payment, acquisitions	17	17	11	6	–
Contingent purchase considerations	30	34	–	34	–
Accounts payable and other non-interest-bearing financial liabilities	297	303	228	75	–
Derivative hedging instruments	2	2	2	–	–
Financial liabilities	**890**	**965**	**332**	**616**	**17**

	31 Dec 2022		Matures		
MSEK	Carrying amount	Future payment amount	Within 1 year	After 1 year, but within 5 years	After 5 years
Interest-bearing financial liabilities to credit institutions	56	68	4	64	–
Interest-bearing lease liabilities	133	139	49	69	21
Interest-bearing deferred payment, acquisitions	9	10	0	10	–
Contingent purchase considerations	11	11	–	11	–
Accounts payable and other non-interest-bearing financial liabilities	238	240	198	42	–
Derivative hedging instruments	0	0	0	–	–
Financial liabilities	**447**	**468**	**251**	**196**	**21**

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

Credit risks

In its commercial and financial transactions, the Group is exposed to credit risks in relation to Momentum Group's counterparties. Credit risk or counterparty risk pertains to the risk of loss if the counterparty does not fulfil its obligations. The Group is exposed to credit risk through its financial transactions, i.e. through the investment of surplus liquidity and implementation of foreign-exchange forward contracts and in connection with accounts receivable and advance payments to suppliers in the commercial operations. The Financial Policy stipulates that only the major Nordic commercial banks are suitable for the investment of surplus liquidity and foreign-exchange forward contract subscriptions. As a result of this policy and restrictions, expected credit losses from financing operations are not significant. The carrying amount of financial assets and contract assets comprises the maximum credit exposure. Credit risk in contract assets other than accounts receivable is not significant.

In order to capitalise on the operational business's knowledge of customers and suppliers, the credit risk assessments are managed in the commercial transactions by each company. The credit risk is spread over a wide range of customers and is a good reflection of the Group's operations where the total revenue is built up of many business transactions and a favourable risk spread of sales across varying industries and companies. No individual customer accounts for more than 5 per cent of the total credit exposure over a one-year period. To minimise the risk of credit losses, the Group companies apply credit policies that limit outstanding amounts and credit periods for individual customers. The size of each customer's credit is assessed individually. A credit check is made for all new customers. The intention is that credit limits will reflect the customer's payment capacity. The Group companies apply an reserve matrix based on maturity structure as support for their reserves for expected credit losses. This matrix is applied along with customer-specific information (such as a deteriorating credit rating) and is adapted based on historical experiences of credit losses. Historically, Momentum Group's credit losses have been low. The credit quality of the accounts receivable that have neither matured for payment nor been reserved is deemed favourable.

The maturity structure and reserves for expected credit losses through the application of the credit regulations described above are presented in the table below. Reserves for expected credit losses primarily pertain to receivables that are more than 60 days past due.

Contents

Note 21 Financial risks and risk management, cont.

Accounts receivable

MSEK	31 Dec 2023	31 Dec 2022
Accounts receivable	391	303
Accumulated reserve for expected credit losses	–3	–3
Accounts receivable, net	**388**	**300**
Specification of change in reserve for expected credit losses		
Carrying amount at the beginning of the period	–3	–4
Changes pertaining to acquired operations	0	0
Change related to confirmed credit losses	0	1
Change related to expected credit losses	0	0
Translation differences	0	0
Carrying amount at the end of the period	**–3**	**–3**
Maturity analysis		
Not past due	331	268
Receivables past due by 1–30 days	46	26
Receivables past due by 31–60 days	8	4
Receivables past due by 61–90 days	1	1
Receivables past due by >90 days	5	4
Total receivables	**391**	**303**

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

	31 Dec 2023			31 Dec 2022		
Group, MSEK	**Interest-bearing**	**Non-interest bearing**	**Total**	**Interest-bearing**	**Non-interest bearing**	**Total**
Assets						
Intangible non-current assets	–	789	**789**	–	383	**383**
Tangible non-current assets	–	27	**27**	–	19	**19**
Right-of-use assets	–	194	**194**	–	138	**138**
Financial non-current assets	2	–	**2**	1	–	**1**
Deferred tax assets	–	2	**2**	–	2	**2**
Total non-current assets	**2**	**1,012**	**1,014**	**1**	**542**	**543**
Current assets						
Inventories	–	366	**366**	–	285	**285**
Accounts receivable	–	388	**388**	–	300	**300**
Other receivables	–	47	**47**	–	28	**28**
Cash and bank	47	–	**47**	17	–	**17**
Total current assets	**47**	**801**	**848**	**17**	**613**	**630**
Total assets	**49**	**1,813**	**1,862**	**18**	**1,155**	**1,173**
Liabilities						
Non-current liabilities						
Non-current interest-bearing liabilities	419	–	**419**	143	–	**143**
Other non-current liabilities	–	99	**99**	–	51	**51**
Other provisions	–	0	**0**	–	0	**0**
Deferred tax liabilities	–	110	**110**	–	51	**51**
Total non-current liabilities	**419**	**209**	**628**	**143**	**102**	**245**
Current liabilities						
Current interest-bearing liabilities	142	–	**142**	55	–	**55**
Accounts payable	–	228	**228**	–	188	**188**
Other liabilities	–	208	**208**	–	160	**160**
Total current liabilities	**142**	**436**	**578**	**55**	**348**	**403**
Total liabilities	**561**	**645**	**1,206**	**198**	**450**	**648**
Interest-bearing net liabilities	**–512**			**–180**		

Contents

23 Financial assets and liabilities

Group, MSEK	31 Dec 2023	31 Dec 2022
Financial assets		
Financial assets measured at fair value		
Financial investments	0	0
Derivative hedging instruments	0	1
Financial assets measured at amortised cost		
Long-term receivables	2	1
Accounts receivable	388	300
Other receivables	1	1
Cash and cash equivalents	47	17
Total financial assets	**438**	**320**
Financial liabilities		
Financial liabilities measured at fair value		
Derivative hedging instruments	2	0
Contingent purchase considerations	30	11
Financial liabilities measured at amortised cost		
Option liability	53	40
Deferred payment, acquisitions, non-interest-bearing	16	10
Interest-bearing liabilities	561	198
Accounts payable	228	188
Total financial liabilities	**890**	**447**

Momentum Group measures financial instruments at fair value or amortised cost in the balance sheet depending on their classification. In addition to items in the financial net debt, financial instruments also include accounts receivable and accounts payable. The carrying amount of all of the Group's financial assets is deemed to be a reasonable approximation of their fair value. Assets and liabilities measured at fair value comprise hedging instruments for which fair value is based on observable market data and which are therefore included in level 2 according to IFRS 13 and liabilities for contingent purchase considerations that are measured using discounted cash flow and which are thus included in level 3. Regarding changes in contingent purchase considerations, an reconciliation of the opening and closing balances is detailed in Note 17.

Parent company, MSEK	31 Dec 2023	31 Dec 2022
Financial assets		
Financial assets measured at amortised cost		
Receivables from Group companies	807	380
Cash and cash equivalents	–	–
Total financial assets	**807**	**380**
Financial liabilities		
Financial liabilities measured at amortised cost		
Liabilities to credit institutions	356	56
Liabilities to Group companies	257	183
Accounts payable	3	2
Total financial liabilities	**616**	**241**

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24 Expected recovery periods for assets, provisions and liabilities

Amounts expected to be recovered

Group, MSEK	Within 12 months	After 12 months	Total
Assets			
Intangible non-current assets[1]	40	749	**789**
Tangible non-current assets[1]	8	19	**27**
Right-of-use assets[1]	68	126	**194**
Financial non-current assets			
Financial investments	0	0	**0**
Other long-term receivables	0	2	**2**
Deferred tax assets	0	2	**2**
Total non-current assets	**116**	**898**	**1,014**
Current assets			
Inventories	366	–	**366**
Accounts receivable	388	–	**388**
Other receivables	47	–	**47**
Cash and bank	47	–	**47**
Total current assets	**848**	–	**848**
Total assets	**964**	–	**1,862**

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

Amounts expected to be paid

Group, MSEK	Within 12 months	After 12 months	After 5 years	Total
Liabilities				
Non-current liabilities				
Non-current interest-bearing liabilities	0	303	0	**303**
Non-current lease liabilities	0	102	14	**116**
Other non-current liabilities	0	99	0	**99**
Other provisions	0	0	0	**0**
Deferred tax liabilities	10	67	33	**110**
Total non-current liabilities	**10**	**571**	**47**	**628**
Current liabilities				
Current interest-bearing liabilities	70	–	–	**70**
Current lease liabilities	72	–	–	**72**
Accounts payable	228	–	–	**228**
Other liabilities	208	–	–	**208**
Total current liabilities	**578**	–	–	**578**
Total liabilities	**588**	–	–	**1,206**

Contents

25 Group companies

Specification of the Parent Company's direct holdings of participations in subsidiaries

	Corp. Reg. No.	Reg. office	Holding, %	Carrying amount 31 Dec 2023	Carrying amount 31 Dec 2022
Momentum Group Holding AB	559266-0707	Stockholm	100	43	43
Accumulated cost					
At the beginning of the year				43	43
Carrying amount at year-end				**43**	**43**

Specification of the Parent Company's indirect holdings of participations in subsidiaries

Company	Reg. office, country	Holding, % 31 Dec 2023	Holding, % 31 Dec 2022
Momentum Industrial AB	Sweden	100	100
Rörick Elektriska Verkstad AB	Sweden	100	100
AB Carl A. Nilssons Elektriska Reparationsverkstad	Sweden	100	100
ETAB Industriautomation AB	Sweden	100	100
Mekano AB	Sweden	70	70
Mekano i Sävedalen AB	Sweden	100	100
Öbergs i Karlstad AB	Sweden	100	100
Intertechna AB	Sweden	100	100
Mytolerans AB	Sweden	70	70
Börjesson Pipe Systems AB	Sweden	100	100
JOKRAB Automatikbyggnad AB	Sweden	70	70
Hydmos Industriteknik AB	Sweden	70	–
LocTech AB	Sweden	100	–
LocTech i Motala AB	Sweden	100	–
LocTech i Piteå AB	Sweden	100	–
Agera Industritillbehör AB	Sweden	100	–
Askalon AB	Sweden	94	–
Processkontroll Items AB	Sweden	100	–
Conclean AB	Sweden	80	–
WEH Sverige AB	Sweden	100	–
Swerub AB	Sweden	100	–
JNF Momentum Køge A/S	Denmark	100	100
HNC Group A/S	Denmark	70	70
Saniflow ApS	Denmark	70	70
Regal A/S	Denmark	100	–
Cobalch ApS	Denmark	70	–
Momentum Industrial AS	Norway	100	100
Helsingin Kumi Oy	Finland	100	–
HNC Technik GmbH	Germany	70	70

26 Transactions with related parties

No transactions having a material impact on the Group's position or earnings occurred between Momentum Group and its related parties during the reporting period. The related-party transactions in place pertain primarily to lease expenses in acquired companies. These leases have been entered into on market terms.

Remuneration to key senior executives

Remuneration to the Board and the management team is presented in Note 4 Employees and personnel costs.

27 Cash-flow statement

Cash and cash equivalents, MSEK	Group 31 Dec 2023	Group 31 Dec 2022	Parent company 31 Dec 2023	Parent company 31 Dec 2022
The following subcomponents are included in cash and cash equivalents:				
Cash and bank	47	17	0	0
Total according to the balance sheet	47	17	0	0
Total according to the cash-flow statement	**47**	**17**	**0**	**0**

MSEK	Group 2023	Group 2022	Parent company 2023	Parent company 2022
Interest paid				
Interest received	3	1	23	3
Interest paid	–20	–10	–20	–8
Total	**–17**	**–9**	**3**	**–5**
Adjustments for non-cash items				
Depreciation and amortisation	100	68	0	0
Other	–2	–1	0	–1
Total	**98**	**67**	**0**	**–1**

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Note 27 Cash-flow statement, cont.

Acquisition of subsidiaries and other business units[1], MSEK	Group 2023	2022
Acquired assets		
Intangible non-current assets	438	110
Right-of-use assets	51	18
Other non-current assets	8	3
Inventories	61	34
Other current assets incl. cash and cash equivalents	206	44
Total assets	**764**	**209**
Acquired liabilities		
Interest-bearing liabilities	–3	–2
Deferred tax liability	–55	–10
Lease liabilities	–51	–18
Current operating liabilities	–118	–33
Non-controlling interests	–11	–14
Total liabilities	**–238**	**–77**
Purchase consideration	**–526**	**–132**
Less: Net cash in acquired business[2]	71	12
Less: Contingent purchase consideration	23	11
Additional: Final settlement of initial purchase consideration (compensation)	–	–1
Less: Deferred payment	18	10
Additional: Settlement of deferred payment	–10	–
Effect on cash and cash equivalents	**–424**	**–100**

[1] Refer to Note 28 Acquisition of businesses.

[2] Net of cash and cash equivalents and interest-bearing liabilities in the acquired businesses.

Reconciliation of liabilities deriving from financing activities

			Changes that do not impact cash flow					
MSEK	31 Dec 2022	Cash flow	Deferred payment, acquisitions	Liabilities in acquired companies[1]	Redemption of liabilities in acquired companies[1]	Translation differences	New and remeasured leases	31 Dec 2023
Committed credit facility	6	52	–	–	–	–	–	58
Revolving loan	50	251	–	–	–	–3	–	298
Other interest-bearing liabilities	9	–	8	–	–	–	–	17
Lease liabilities	133	–64	–	51	–	–1	69	188
Total	**198**	**239**	**8**	**51**	**–**	**–4**	**69**	**561**

			Changes that do not impact cash flow					
MSEK	31 Dec 2021	Cash flow	Deferred payment, acquisitions	Liabilities in acquired companies[1]	Redemption of liabilities in acquired companies[1]	Translation differences	New and remeasured leases	31 Dec 2022
Committed credit facility	–	6	–	–	–	–	–	6
Revolving loan	–	50	–	–	–	–	–	50
Other interest-bearing liabilities	9	–	–	2	–2	–	–	9
Lease liabilities	123	–51	–	18	–	0	43	133
Total	**132**	**5**	**–**	**20**	**–2**	**0**	**43**	**198**

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

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28 Acquisition of businesses

2023 financial year

Momentum Group conducted 11 business combinations with closing during 2023.

Acquisition of Askalon AB

On 22 May 2023, 93.7 per cent of the shares in Askalon AB were acquired and closing took place on 5 June. Askalon is a leading player in advanced valve solutions primarily for the power, refinery and process industries in Sweden, Denmark, Finland and Iceland. The remaining 6.3 per cent of the shares in the company will be acquired by Momentum Group in 2025. Accordingly, the acquisition was consolidated on a 100 per cent basis and the agreement concerning the remaining shares in the company is being treated as a deferred payment.

The total purchase consideration for the acquisition was SEK 265 million excluding acquisition costs. Acquisition costs totalling SEK 1 million were recognised in the item other operating expenses during the reporting period.

In accordance with the final acquisition analysis below, SEK 93 million of the purchase consideration was allocated to goodwill, SEK 115 million to supplier relations and SEK 24 million to customer relations. The allocation to supplier and customer relations was based on the discounted value of future cash flows attributable to each class of assets. The amortisation period for the values identified, such as supplier relations, is 15 years and a period of ten years for customer relations. The value of goodwill is based on the expectation that the Momentum Group's position in the markets in question will strengthen and on the future sales performance, profitability and other synergies that the Group expects to realise through the acquisition.

If the acquisition had been completed on 1 January 2023, a consolidated income statement for Momentum Group, including Askalon, at 31 December 2023 indicates total net revenue of SEK 2,454 million and profit after tax of SEK 176 million for the reporting period. These amounts have been calculated based on Askalon's profit, adjusted for additional depreciation and amortisation that would have arisen if the adjustment to the fair value of tangible and intangible non-current assets had been applied from 1 January 2023, together with attributable tax effects. There are no material differences in accounting policies between Momentum Group and the acquired business, with the exception of IFRS 16, which has no material impact on profit after tax for the period in question..

During the reporting period, the acquisition of Askalon contributed SEK 212 million to the Group's revenue and SEK 13 million to the Group's EBITA. According to the final acquisition analysis, the total assets and liabilities included in the acquisition of Askalon amounted to the following.

Acquisition of Askalon AB

MSEK	Fair value recognised in the Group
Acquired assets	
Customer relationships	24
Supplier relationships	115
Other intangible non-current assets	1
Right-of-use assets	22
Other non-current assets	3
Inventories	22
Other receivables	88
Cash and cash equivalents	18
Total assets	**293**
Assumed provisions and liabilities	
Interest-bearing liabilities	–
Lease liabilities	22
Deferred tax liability	29
Other current liabilities	70
Total provisions and liabilities	**121**
Net of identified assets and liabilities	**172**
Goodwill[1]	93
Purchase consideration	**165**
Less: Cash in acquired business	–18
Less: Deferred paymen[2]	–15
Effect on the Group's cash and cash equivalents	**232**

[1] Of recognised goodwill of SEK 93 million, SEK 0 million is expected to be tax deductible.

[2] Deferred payment corresponds to the value of acquisition of the remaining 6.3 per cent of the shares in the company and is not subject to interest payment. The undiscounted amount to be paid in 2025 amounts to SEK 17 million.

Contents

Note 28, Acquisition of businesses, cont.

Description of other corporate acquisitions during the 2023 financial year

Hydmos Industriteknik AB
Holding: 70% **Closing:** 2 February 2023
Leading position in advanced hydraulic and gas systems for use in high-pressure applications.

Agera Industritillbehör AB
Holding: 100% **Closing:** 16 February 2023
Supplier-independent retailer of ball bearings, transmissions, motors and filters, as well as seals.

LocTech AB
Holding: 100% **Closing:** 1 March 2023
Comprehensive supplier of seals for rotating and static applications. The acquisition was carried out by the subsidiary Momentum Industrial AB.

Regal A/S
Holding: 100% **Closing:** 30 June 2023
Leading niche player in transmission, electrical automation and control for both OEM and end customers in the food, toy and pharmaceutical industries in Denmark.

Processkontroll Items AB
Holding: 100% **Closing:** 3 July 2023
Has a leading niche position in instrumentation for demanding operating conditions.

Conclean AB
Holding: 80% **Closing:** 1 September 2023
Niche player in private sewage, rainwater recycling and stormwater management. Part of the purchase consideration was paid through a transfer of 154,830 own Class B shares at a price of SEK 93.80 per share.

Cobalch ApS
Holding: 70% **Closing:** 15 November 2023
Specialist in pipeline accessories for gas, water, oil, sewage treatment plants, waterworks and refineries. The acquisition was carried out by the subsidiary Börjesson Pipe Systems AB.

WEH Sverige AB
Holding: 100% **Closing:** 30 November 2023
Specialist in CNG/Hydrogen refueling components and gas detection. The acquisition was carried out by the subsidiary Processkontroll Items AB.

Swerub AB
Holding: 100% **Closing:** 30 November 2023
Market leader in Sweden in advanced custom-made rubber products for industry. Part of the purchase consideration was paid through a transfer of 21,768 own Class B shares at a price of SEK 114.84 per share.

Helsingin Kumi Oy
Holding: 100% **Closing:** 18 December 2023
Specialist in customised rubber products and rubber profiles for industrial customers in Finland.

Acquisition analysis
The total purchase consideration for the acquisitions was SEK 261 million excluding acquisition costs. Acquisition costs totalling approximately SEK 3 million were recognised in the item other operating expenses. In accordance with the acquisition analysis presented below, SEK 99 million of the purchase consideration was allocated to goodwill and SEK 106 million to customer relations. The acquisition analyses for acquisitions closed in the fourth quarter are preliminary. Other acquisition analyses are final.

The allocation to customer relationships was based on the discounted value of future cash flows attributable to each class of assets, where an assessment was conducted that included margin, tied-up capital and turnover rate of the customer base. Goodwill on the acquisition date refers to the amount by which the cost of the acquired net assets exceeds their fair value. Goodwill is motivated by the anticipated future sales performance and profitability as well as the fact that the subsidiaries' position in their current markets is expected to be strengthened.

The acquisition analyses that are considered preliminary are largely because the acquisitions were closed only recently.

Effect on the Group's cash and cash equivalents
In addition to the acquisitions completed during the reporting period, cash flow from acquisitions of subsidiaries was also affected by the settlement of a deferred payment of SEK 10 million. The payment was made during the fourth quarter.

Other acquisitions during the 2023 financial year

MSEK	Fair value recognised in the Group
Acquired assets	
Customer relationships	106
Right-of-use assets	29
Other non-current assets	5
Inventories	39
Other receivables	44
Cash and cash equivalents	56
Total assets	**279**
Assumed provisions and liabilities	
Interest-bearing liabilities	3
Lease liabilities	29
Deferred tax liability	26
Other current liabilities	48
Total provisions and liabilities	**106**
Net of identified assets and liabilities	**173**
Goodwill[1]	99
Non-controlling interests[2]	–11
Purchase consideration	**261**
Less: Net cash in acquired business[3]	–53
Less: Contingent purchase consideration[4]	–23
Less: Deferred paymen[5]	–3
Effect on the Group's cash and cash equivalents	**182**

[1] Of recognised goodwill of SEK 99 million, SEK 0 million is expected to be tax deductible.
[2] Non-controlling interest is calculated as the proportional share of the identified net assets.
[3] Net of cash and cash equivalents and interest-bearing liabilities in the acquired business.
[4] Contingent purchase consideration is recognised at a value corresponding to some 90 per cent of a maximum outcome. The outcome of the contingent purchase consideration will be determined continuously during 2024-2026 and is dependent on the earnings of the acquired subsidiary. The potential undiscounted amount to be paid amounts to approximately SEK 29 million.
[5] Deferred payment falls due in the first half of 2024 and carries no interest.

Contents

Not 28, Acquisition of businesses, cont.

2022 financial year

Momentum Group conducted four business combinations with closing during 2022.

Acquisition of HNC Group

The acquisition of 70 per cent of HNC Group was completed during the second quarter, and closing took place on 1 June 2022. HNC is a leading player in solutions for industrial automation in Denmark. The acquisition has broadened the Group's geographic presence and provided access to a strong offering in highly familiar product verticals.

Acquisition of Mytolerans

The acquisition of 70 per cent of Mytolerans AB was completed during the third quarter, and closing took place on 7 September 2022. Mytolerans offers products and services in measurement technology for Swedish industry.

Acquisition of Börjesson Pipe Systems

The acquisition of 100 per cent of the shares in Börjesson Pipe Systems AB (BPS) was completed during the fourth quarter, and closing took place on 12 October 2022. Part of the purchase consideration was paid through a transfer of own Class B shares. BPS is a leading player in the market for flow technology solutions and products.

Acquisition of JOKRAB Automatikbyggnad

In the fourth quarter, the subsidiary Öbergs completed the acquisition of 70 per cent of JOKRAB Automatikbyggnad AB, and closing took place on 20 December 2022. JOKRAB builds and assembles equipment for process regulation, mainly for the pharmaceutical industry.

Acquisition analysis

The total purchase consideration for the acquisitions was SEK 132 million excluding acquisition costs. Acquisition costs totalling approximately SEK 3 million were recognised in the item other operating expenses. In accordance with the final acquisition analysis presented below, SEK 63 million of the purchase consideration was allocated to goodwill and SEK 47 million to customer relations.

The allocation to customer relationships was based on the discounted value of future cash flows attributable to each class of assets, where an assessment was conducted that included margin, tied-up capital and turnover rate of the customer base. The value of goodwill is based to the expectation that the subsidiary's position in the markets in question, the profitability of the operations and the other benefits and synergies that the Group expects to realise through the acquisitions.

Acquisitions during the 2022 financial year

MSEK	Fair value recognised in the Group
Acquired assets	
Customer relationships	47
Right-of-use assets	18
Other non-current assets	3
Inventories	34
Other receivables	30
Cash and cash equivalents	14
Total assets	**146**
Assumed provisions and liabilities	
Interest-bearing liabilities	2
Lease liabilities	18
Deferred tax liability	10
Other current liabilities	33
Total provisions and liabilities	**63**
Net of identified assets and liabilities	**83**
Goodwill[1]	63
Non-controlling interests[2]	–14
Purchase consideration	**132**
Less: Net cash in acquired business[3]	–12
Additional: Final settlement of initial purchase consideration (compensation)	1
Less: Contingent purchase consideration[4]	–11
Less: Deferred payment[5]	–10
Effect on the Group's cash and cash equivalents	**100**

1) Of recognised goodwill of SEK 63 million, SEK 0 million is expected to be tax deductible.
2) Non-controlling interest is calculated as the proportional share of the identified net assets.
3) Net of cash and cash equivalents and interest-bearing liabilities in the acquired business.
4) Contingent purchase consideration is recognised at a value corresponding to 75 per cent of a maximum outcome (excluding interest). The nominal maximum amount totals SEK 15 million. The outcome of the contingent purchase consideration will be determined in the second half of 2025 and is dependent on the earnings of the acquired subsidiary.
5) Deferred payment falls due in the second half of 2023 and carries no interest.

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29 Events after the balance-sheet date

As of 1 January 2024, the business was divided into two business areas: Industry and Infrastructure. For more information, refer to the separate press release.

On 13 February, the subsidiary Agera acquired all of the shares in PW Kullagerteknik, a specialist in ball and rolling bearings.

On 20 March 2024, Momentum Group signed an agreement to acquire 60 per cent of the shares in Sikama AB, a specialist in gas and fluid handling for industrial customers in Sweden.

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

30 Untaxed reserves

The distribution of untaxed reserves recognised in the Parent Company's balance sheet is shown below. For the Group, these reserves are eliminated in their entirety. Refer to Summary of key accounting policies in Note 1. Of the Parent Company's total untaxed reserves amounting to MSEK 69 (46), MSEK 14 (9) comprises deferred taxes included in the Group's recognised deferred tax liability.

	Parent company	
Tax allocation reserve	**31 Dec 2023**	**31 Dec 2022**
Allocation 2021	17	17
Allocation 2022	29	29
Allocation 2023	23	–
Total	**69**	**46**

31 Parent Company disclosures

Momentum Group AB ("**the company**") and its subsidiaries form the Momentum Group. The Group consists of a number of companies that together constitute one of the Nordic region's leading suppliers of industrial components, industrial services and other related services in the industrial sector.

Momentum Group AB, Corporate Registration Number 559266-0699, is a registered limited liability company with its registered office in Stockholm, Sweden.

Address of the head office:
Momentum Group AB (publ)
Östermalmsgatan 87 E
SE-114W59 Stockholm, Sweden

momentum.group

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Proposed appropriation of profit

According to the parent company balance sheet, retained earnings including net profit amounted to SEK 118 million at 31 December 2023, of which SEK 54 million comprised net profit.

The following amounts are at the disposal of the Annual General Meeting of the Parent Company Momentum Group AB:	SEK thousand
Retained earnings	63,513
Net profit	54,093
Total	**117,606**
The Board of Directors and the President & CEO propose that the available funds be allocated as follows:	
Dividend to shareholders, SEK 1.10 per share	54,338[1]
To be brought forward	63,268
Total	**117,606**

[1] Calculated based on the number of shares outstanding as of 31 December 2023 and with due consideration for the 1,083,026 Class B shares repurchased by the company.

The Board of Directors proposes a dividend for 2023 of SEK 1.10 per share (1,00), corresponding to a total dividend of approximately SEK 54 million (49) based on the number of shares outstanding at year-end 2023. The proposed record date for dividends in 10 May 2024, with payment on 15 May 2024.

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

The income statements and balance sheets of the Group and the Parent Company are subject to adoption by the Annual General Meeting to be held on 7 May 2024.

Board's assurance

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

Stockholm 27 March 2024

Johan Sjö
Chairman

Anders Claeson
Director

Stefan Hedelius
Director

Gunilla Spongh
Director

Ylva Ersvik
Director

Ulf Lilius
President & CEO

Our Auditor's Report was submitted on 27 March 2024

KPMG AB

Helena Arvidsson Älgne
Authorised Public Accountant
Auditor in Charge

Johanna Hagström Jerkeryd
Authorised Public Accountant

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Auditor’s report

To the general meeting of the shareholders of Momentum Group AB, corp. id 559266-0699

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Momentum Group AB for the year 2023, except for the corporate governance statement on pages 46–51 and the sustainability report on pages 57–73. The annual accounts and consolidated accounts of the company are included on pages 74–113 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial positio n of the group as of 31 December 2023 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 46–51 and sustainability report on pages 57–73. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company’s audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

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

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

Key Audit Matters

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

Valuation of goodwill

See note 9 and accounting principles on pages 87–90 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The book value of of goodwill amounted to SEK 490 million as of 31 December 2023, representing 26 per cent of total assets. Goodwill is subject to an annual impairment test, or when impairment indicators are identified. Impairment tests are complex and include significant levels of judgments.

The impairment test is required to be conducted under a certain technique according to IFRS, where the group must make future assessments of both internal and external conditions and plans. Examples of such assessments include future cash flows and the discount rate that should be used to reflect that future estimated receipts are associated with risk.

Response in the audit

We have obtained and assessed the group’s impairment tests to ensure they have been carried out in accordance with the technique stipulated in IFRS.

Furthermore, we have evaluated management’s future cash flow forecasts and the underlying assumptions, which includes the long-term growth rate and the assumed discount rate, by obtaining and evaluating the group’s written documentation and plans. We have also considered previous years’ forecasts in relation to the actual outcome.

An important part of our work has also been to evaluate how changes to the assumptions may impact the valuation. The evaluation has been carried out by obtaining and assessing the group’s sensitivity analysis.

We have also analysed the disclosures in the Annual Report and considered whether they accurately reflect the assumptions that group management apply in their valuation and whether they, in all material respects, are in line with the disclosures required by IFRS.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1–73 and 118–120. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor’s report. The Board of Directors and the Managing Director are responsible for this other information.

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

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

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

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

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

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

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

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

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Report on other legal and regulatory requirements

Auditor's audit of the administration and he proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Momentum Group AB for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

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

Auditor's responsibility

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation.

We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Momentum Group AB for year 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Momentum Group AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

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Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 46–51 has been prepared in accordance with the Annual Accounts Act.

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

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

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the sustainability report on pages 57–73, and that it is prepared in accordance with the Annual Accounts Act.

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

KPMG AB, Box 382, 101 27, Stockholm, was appointed auditor of Momentum Group AB (publ) by the general meeting of the shareholders on the 9 May 2023. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 2020.

Stockholm 27 March 2024

KPMG AB

Helena Arvidsson Älgne
Authorized Public Accountant
KPMG AB

Johanna Hagström Jerkeryd
Authorized Public Accountant

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Multi-year review

MSEK	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
			Rolling 12 months			
Revenue	**2,298**	**1,739**	**1,491**	**1,163**	**1,254**	**1,196**
Operating profit	237	185	155	130	130	111
EBITA	265	204	171	134	134	114
Net profit	173	140	117	99	99	84
Intangible non-current assets	789	383	284	175	177	165
Right-of-use assets	194	138	127	51	60	–
Other non-current assets	31	22	19	12	8	7
Inventories	366	285	213	176	193	191
Current receivables	435	328	271	175	227	220
Cash and cash equivalents and current investments	47	17	70	145	31	29
Total assets	**1,862**	**1,173**	**984**	**734**	**696**	**612**
Equity attributable to Parent Company shareholders	617	498	458	337	259	143
Non-controlling interests	39	27	17	6	5	–
Interest-bearing liabilities and provisions	561	198	132	147	193	141
Non-interest-bearing liabilities and provisions	645	450	377	244	239	328
Total equity and liabilities	**1,862**	**1,173**	**984**	**734**	**696**	**612**
Operating margin, %	10.3	10.6	10.4	11.2	10.4	9.3
EBITA margin, %	11.5	11.7	11.5	11.5	10.7	9.5
Profit margin, %	9.7	10.2	9.9	10.9	10.1	9.1
Return on working capital (EBITA/WC), %	59	61	61	54	52	46
Return on capital employed, %	25	28	24	28	31	34
Return on equity, %	31	29	30	35	49	51
Financial net loan liability	514	181	62	2	162	112
Operational net loan liability / Net loan receivable +/–	326	48	–61	–45	107	112
Equity/assets ratio, %	33	42	47	46	37	23
Earnings per share, before and after dilution, SEK	3.45	2.70	2.30	1.90	1.95	1.65
Equity per share, SEK	12.50	10.10	9.05	6.70	5.15	2.85
Share price per share, SEK	130.50	58.51	–	–	–	–
No. of employees at the end of the period	749	558	484	329	339	335

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Definitions of alternative performance measures

Operating profit
Profit before financial items and tax. Used to present the Group's earnings before interest and tax.

Items affecting comparability
Items affecting comparability include revenue and expenses that do not arise regularly in the operating activities. Items affecting comparability for the period pertain to costs for preparations ahead of the separate listing and mainly pertain to advisory costs, review costs and separation costs. The separate disclosure of items affecting comparability clarifies the development of operational activities.

EBITA
Operating profit adjusted for items affecting comparability and before any impairment of goodwill and amortisation and impairment of other intangible assets arising in connection with acquisitions and equivalent transactions. Used to present the Group's earnings generated from operating activities.

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

EBITA margin, %
EBITA as a percentage of revenue. Used to measure the Group's earnings generated before interest and tax and provides an understanding of the earnings performance over time. The EBITA margin based on revenue from both external and internal customers is presented per business area (operating segment).

Profit margin, %
Profit after financial items as a percentage of revenue. Used to assess the Group's earnings generated before tax and presents the share of revenue that the Group may retain in earnings before tax.

Return on working capital (EBITA/WC), %
EBITA for the 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 the opening balance at the start of the period divided by 13. The Group's internal profitability target, which encourages high EBITA and low tied-up capital. Used to analyse profitability in the Group and its various operations.

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 Parent Company's shareholders.

Financial net loan liability
Financial net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities, less cash and cash equivalents at the end of the period. Used to monitor the debt trend and analyse the Group's total indebtedness including lease liabilities.

Operational net loan liability / Net loan receivable
Operational net loan liability measured as non-current interest-bearing liabilities and current interest-bearing liabilities excluding lease 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 excluding lease liabilities.

Equity/assets ratio, %
Equity attributable to Parent Company shareholders as a percentage of the balance-sheet total at the end of the period. Used to analyse the financial risk in the Group and show how much of the Group's assets are financed by equity.

Change in revenue for comparable units
Comparable units refer to sales in local currency from units that were part of the Group during the current period and the entire corresponding period in the preceding year. Trading days refer to the effect on sales in local currency depending on the difference in the number of trading days compared with the comparative period. Other units refer to the acquisition or divestment of units during the corresponding period. 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.

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Derivation of performance measures

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

MSEK	2023	2022
Change in revenue		
Comparable units in local currency, %	7.5	9.5
Currency effects, %	0.5	0.2
Number of trading days	–1.0	0.0
Acquisitions, %	25.2	6.9
Total change, %	**32.2**	**16.6**
EBITA		
Operating profit	237	185
Items affecting comparability	–	6
Amortisation intangible assets, acquisitions	28	13
EBITA	**265**	**204**
Items affecting comparability		
Listing and separation costs	–	–6
Total items affecting comparability	**–**	**–6**
Operating margin		
Operating profit	237	185
Revenue	2,298	1,739
Operating margin, %	**10.3**	**10.6**
EBITA margin		
EBITA	265	204
Revenue	2,298	1,739
EBITA margin, %	**11.5**	**11.7**

MSEK	2023	2022
Profit margin		
Profit after financial items	222	177
Revenue	2,298	1,739
Profit margin, %	**9.7**	**10.2**
EBITA/WC		
Average inventories	324	249
Average accounts receivable	335	254
Total average operating assets	**659**	**503**
Average accounts payable	–212	–168
Average working capital (WC)	**447**	**335**
EBITA	**265**	**204**
EBITA/WC, %	**59**	**61**
Return on capital employed		
Average balance-sheet total	1,540	1,036
Average non-interest-bearing non-current liabilities	–155	–70
Average non-interest-bearing current liabilities	–400	–313
Average capital employed	**985**	**653**
Operating profit	237	185
Financial income	6	1
Total operating profit + financial income	**243**	**186**
Return on capital employed, %	**25**	**28**

MSEK	2023	2022
Return on equity		
Average equity attributable to Parent Company shareholders	553	468
Net profit attributable to Parent Company shareholders	170	137
Return on equity, %	**31**	**29**
Financial net loan liability		
Non-current interest-bearing liabilities	419	143
Current interest-bearing liabilities	142	55
Current investments	–	–
Cash and cash equivalents	–47	–17
Financial net loan liability	**514**	**181**
Operational net loan liability (+) / net loan receivable (–)		
Financial net loan liability	514	181
Financial lease liabilities	–188	–133
Operational net loan liability (+) / net loan receivable (–)	**326**	**48**
Equity/assets ratio		
Balance-sheet total	1,862	1,173
Equity attributable to Parent Company shareholders	617	498
Equity/assets ratio, %	**33**	**42**

Contents

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