

JANUARY - DECEMBER 2021

OCTOBER - DECEMBER

- Net sales amounted to MSEK 26,7 (22,1), rendering a sales growth of 21%. The organic net sales growth was 21%
- The quarter was impacted by one-off items affecting comparison amounting to MSEK 5,5 attributable to the company's listing on the Nasdaq First North Growth Market, adjusted figures exclude this item
- Adjusted EBITDA amounted to MSEK 7,5 (6,6), rendering an EBITDA-margin of 28% (30)
- EBITDA amounted to MSEK 2,0 (6,6), rendering an EBITDA-margin of 7% (30)
- EBITA amounted to MSEK 0,6 (5,4) rendering an EBITA-margin of 2% (24)
- EBIT amounted to MSEK -1,3 (3,8) rendering an EBIT-margin of neg % (17)
- Profit after tax amounted to MSEK -1,1 (2,9). Earnings per share before and after dilution amounted to SEK -0,07 (0,19).
- Cash flow from operating activities before changes in working capital amounted to MSEK 1,1 (7,2)
- The value of contracted annualised recurring revenues with deduction for terminated contracts, CARR, at the end of the period was MSEK 78,8 rendering an increase of 28% the last 12 months

JANUARY - DECEMBER

- Net sales amounted to MSEK 96,3 (81,3), rendering a sales growth of 18%. The organic net sales growth was 18%
- The year was impacted by one-off items affecting comparison amounting to MSEK 5,5 attributable to the company's listing on the Nasdaq First North Growth Market, adjusted figures exclude this item
- Adjusted EBITDA amounted to MSEK 31,8 (27,1) rendering an EBITDA-margin of 33% (33)
- EBITDA amounted to MSEK 26,3 (27,1) rendering an EBITDA-margin of 27% (33)
- EBITA amounted to MSEK 20,8 (22,2) rendering an EBITA-margin of 22% (27)
- EBIT amounted to MSEK 13,8 (16,3) rendering an EBIT-margin of 14% (20)
- Profit after tax amounted to MSEK 10,6 (12,1). Earnings per share before and after dilution amounted to SEK 0,69 (0,81).
- Cash flow from operating activities before changes in working capital amounted to MSEK 23,0 (24,8)

LAST 12 MONTHS (JANUARY - DECEMBER 2021)

28%

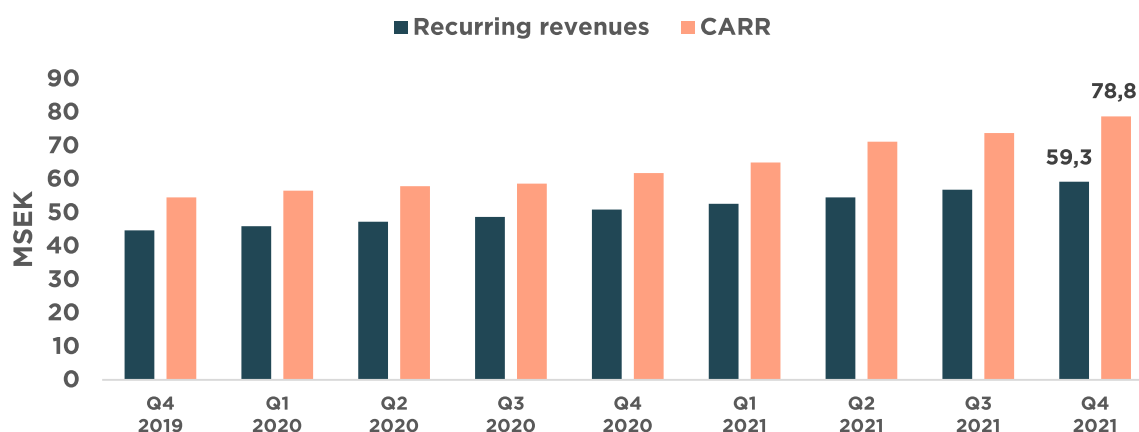
CARR-GROWTH

33%

ADJUSTED EBITDA-MARGIN

1%

CHURN



CEO COMMENT

On December 8, 2021, Momentum Software Group AB was listed on Nasdaq First North Growth Market. We are happy to see the great interest we have been met with, both during and after the listing process. I would like to welcome all new shareholders on an ambitious journey ahead.

Order intake

The value of our contracted annual recurring revenue, CARR, amounted to MSEK 78,8 as per December 31, 2021, corresponding to a growth of 28 percent over the last twelve months. The order intake during the quarter amounted to a net of MSEK 5,0 as compared to MSEK 3,1 the same period 2020. It was mainly driven by two larger new customers, several upgrades and the yearly indexation.

Reported recurring revenue during the last twelve months amounted to MSEK 59,3 and the value of recurring revenue yet to be implemented amounted to MSEK 15,7. The latter amount is the highest yet and the effect of a 2021 where the order intake was higher than our capacity to implement.

Implementation capacity

Based on the high order intake during the spring of 2021, we saw a need to strengthen our service organisation with 16 new consultants and project leaders. We are delighted to see the energy with which these new recruits have come into the organisation and how quickly they have embraced and further boosted our culture.

The investment in new personnel has negative short-term effects on profitability, mainly affecting Q3 and Q4 2021, but enables a higher implementation rate for the products new and existing customers have already contracted.

Revenue and profitability

Revenue growth, all organic, amounted to 21 percent during the fourth quarter and 18 percent for the full year. The higher growth rate of the fourth quarter was mainly attributable to our strengthened service organisation that has resulted in both increased services revenue and a higher rate of implementation for products already contracted.

Adjusted EBITDA in the fourth quarter 2021 amounted to MSEK 7,5 compared to MSEK 6,6 in the corresponding period 2020. Adjusted EBITDA for the full year 2021 amounted to MSEK 31,8 with a margin of 33 percent. Despite increased investments in new hires and planned lower service revenue in certain areas, the EBITDA margin was on the same level as 2020.

In December 2019, Momentum decided to phase out the business area Boplats. The decision was a part of our strategy revision to only develop scalable standard software. The last Boplats customer was decommissioned in December 2021. As a result of the phase out, annual recurring revenue decreases by MSEK 2,2 from 2022. Meanwhile, we free up resources for our remaining platforms.

The phasing out of older platforms is a prerequisite for fully taking advantage of the scalability in our business model. The discontinuation of Boplats is one part of this process but there is still more work



Richard Durlow, CEO

to do amongst our other legacy products. This is of high priority and will enable positive margin effects during coming years.

Products

We continued to rapidly advance our product development in the fourth quarter. An interface change was implemented in our Energy platform that simplifies navigation for daily users. Interest in our automated imports also continued to soar amongst customers. Automation is an important concept in all our platforms, and we see great potential for our customers to utilise these possibilities.

During the quarter, our first Property customers also went live in the new Leasing platform that was launched in September 2021. Going forward, our focus in product development is to expand and refine our new add-on products “My Pages” and “Leasing” as well as to continually strengthen our parts of the Property platform.

We also pre-launched our new concept for digital signatures, Momentum Signering. The solution simplifies customers’ internal processes and lowers costs.

2022

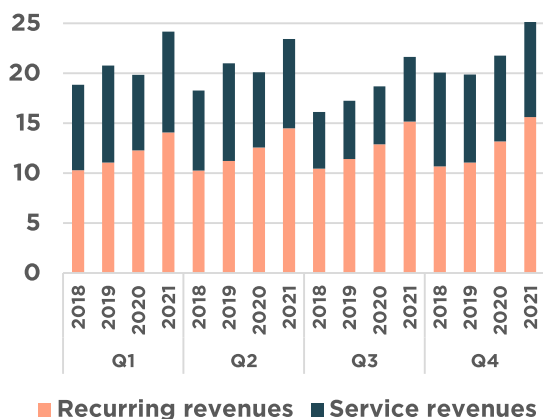
Our goals for the new year are clear. We will continue the roll-out of our updated platforms and new add-on products to support our customers in their challenge to streamline processes and provide a better tenant experience. Our ambitions also include the development of our internal processes with the target of becoming an industry leader within customer support and satisfaction.

We are actively working on carrying out selective acquisitions. We have several ongoing dialogues and are continuously evaluating new opportunities that could strengthen our value proposition within software for property owners.

I look forward to an exciting year together with our employees, customers and owners.

Richard Durlow, CEO

REVENUE



Quarter

Net sales amounted to MSEK 26,7 (22,1) with an organic net sales growth of 21%. 58% (60) of the net sales consisted of recurring revenues. The fourth quarter has a seasonally lower share of recurring revenues as a result of higher service revenues.

Year

Net sales amounted to MSEK 96,3 (81,3), with an organic net sales growth of 18%. 62% (63) of the net sales consisted of recurring revenues.

Net sales per category

MSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Recurring revenues	15,6	13,2	59,3	50,9
Service revenues	11,1	8,6	36,6	29,5
Other income	0,1	0,4	0,4	0,9
Total	26,7	22,1	96,3	81,3

CONTRACT VALUE (CARR)

CARR (Contracted Annual Recurring Revenue) or the value of contracted annualised recurring revenues at the end of the period was MSEK 78,8 rendering an increase of 28% compared to the corresponding period last year.

The contracted annual recurring revenues that have yet not been implemented and started invoicing by the end of the period was MSEK 15,7.

During the quarter CARR increased with MSEK 5,0 compared to MSEK 3,1 during the fourth quarter 2020.

During 2021 CARR increased with MSEK 17,0 compared to MSEK 7,3 during 2020. The large increase is a direct result of a very good order intake and low churn.

OPERATING PROFIT

Quarter

The quarter was impacted by one-off items affecting comparison amounting to MSEK 5,5 attributable to costs for the company's listing on the Nasdaq First

North Growth Market, adjusted figures exclude this item.

Operating profit excluding amortisation, EBITDA, amounted to MSEK 2,0 (6,6) rendering an EBITDA-margin of 7% (30).

Adjusted EBITDA amounted to MSEK 7,5 (6,6) rendering an adjusted EBITDA-margin of 28% (30).

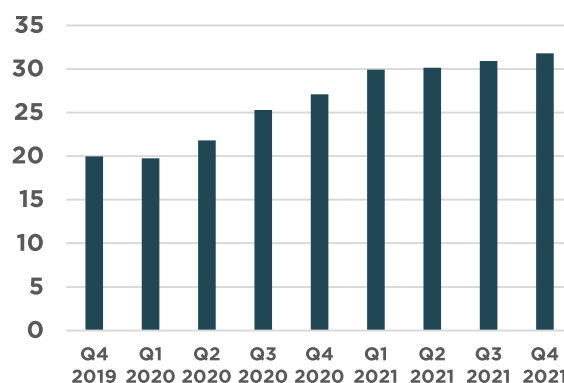
Operating profit excluding amortisation of intangible assets, EBITA, amounted to MSEK 0,6 (5,4) rendering an EBITA-margin of 2% (24).

Adjusted EBITA amounted to MSEK 6,1 (5,4) rendering an adjusted EBITA-margin of 23% (24).

Operating profit, EBIT, amounted to MSEK -1,3 (3,8) rendering an EBIT-margin of neg (17).

Adjusted EBIT amounted to MSEK 4,2 (3,8) rendering an adjusted EBIT-margin of 16% (17).

ADJUSTED EBITDA last 12 months



Year

The year was impacted by one-off items affecting comparison amounting to MSEK 5,5 attributable to costs for the company's listing on the Nasdaq First North Growth Market, adjusted figures exclude this item.

Operating profit excluding amortisation, EBITDA, amounted to MSEK 26,3 (27,1) rendering an EBITDA-margin of 27% (33).

Adjusted EBITDA amounted to MSEK 31,8 (27,1) rendering an adjusted EBITDA-margin of 33% (33).

Operating profit excluding amortisation of intangible assets, EBITA, amounted to MSEK 20,8 (22,2) rendering an EBITA-margin of 22% (27).

Adjusted EBITA amounted to MSEK 26,4 (22,2) rendering an adjusted EBITA-margin of 27% (27).

Operating profit, EBIT, amounted to MSEK 13,8 (16,3) rendering an EBIT-margin of 14% (20).

Adjusted EBIT amounted to MSEK 19,3 (16,3) rendering an adjusted EBIT-margin of 20% (20).

CASH FLOW AND INVESTMENTS

Cash flow from operating activities before changes in working capital amounted to MSEK 1,1 (7,2) during the quarter and MSEK 23,0 (24,8) during the year.

Cash flow from financing activities was negatively affected during the first quarter by an extraordinary final amortization of previous acquisition credit, see further under "Equity and liabilities".

Investment in non-current intangible assets consists of investments in product development. These amounted to MSEK 2,9 (2,8) during the quarter and MSEK 11,3 (9,6) during the year.

Amortization of capitalized development expenses amounted to MSEK 1,1 (0,8) during the quarter and MSEK 3,8 (2,7) during the year.

Depreciation of acquired software amounted to MSEK 0,8 (0,8) during the quarter and MSEK 3,2 (3,2) during the year.

EQUITY AND LIABILITIES

During the period, a new share issue was carried out which provided the Company with MSEK 100 before transaction costs. Total equity amounted to MSEK 159,5 (58,4) at the end of the period.

During the first quarter of 2021, the last part of a previous acquisition credit was amortized. Excluding leasing liabilities, the Group had no interest-bearing liabilities as of 31 December.

SHARE

Momentum Software Group AB (publ) is listed on Nasdaq First North Growth Market.

Total number of shares issued at the end of the period was 16 639 345. Historical key ratios have been restated to reflect the share split (1:300) implemented in September 2021.

EMPLOYEES

The Company had 97 (82) employees at the end of the reporting period. The increase is almost exclusively attributable to a strengthened delivery organization where employees going forwards are expected to contribute to increased service revenues through implementations of our products. The average number of employees was 86 (80) during the reporting period.

THE PARENT COMPANY

The parent company's activities are primarily focused on group management and financing. The company had 2 (0) employees at the end of the period. Cash and cash equivalents amounted to MSEK 80,3 (0,1) at the end of the period.

During the fourth quarter 2021, operating profit amounted to MSEK -5,6 (0). Operating profit

amounted to MSEK -5,6 (0) during 2021. The quarter was impacted by one-off items affecting comparison amounting to MSEK 5,5 attributable to costs for the company's listing on the Nasdaq First North Growth Market.

EVENTS AFTER THE REPORTING PERIOD

No significant events have occurred after the end of the reporting period.

FORWARD-LOOKING INFORMATION

This report may contain forward-looking information based on management's current expectations. Although management believes that the expectations expressed in such forward-looking information are reasonable, no guarantee can be given that these expectations will prove to be correct. Consequently, future outcomes may vary significantly compared with what appears in the forward-looking information depending on, among other things, changed market conditions for Momentum's products and more general changed conditions such as economy, markets and competition, changes in legal requirements or other policy measures.

FINANCIAL TARGETS

Momentum's long term financial targets are:

- Organic sales growth of around 20% per year in the medium term and total revenues in excess of MSEK 300 by 2026.
- EBITDA-margin in excess of 45% in the medium term.
- The Company's Board of Directors intends to use the cash flow generated by the business primarily for continued investments in growth, both organic and through acquisitions. Although growth is a priority, the Board of Directors will assess annually the possibility of a dividend, taking into account the development of the business, the operating profit and the financial position.

CALENDAR

Annual report 2021	4 April 2022
Annual general meeting	26 April 2022
Interim report Q1 2022	26 April 2022
Interim report Q2 2022	19 July 2022
Interim report Q3 2022	25 October 2022

Stockholm February 14, 2022
Richard Durlow, CEO

This report has not been subject to review by the Company's auditor.

Contact information:

CEO Richard Durlow, 0709-221 235
CFO Malin Helleryd, 0733-719 229
Email: firstname.lastname@momentum.se

IFRS PERFORMANCE MEASURES

MSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Net sales	26,7	22,1	96,3	81,3
Profit for the period	-1,1	2,9	10,6	12,1
Earnings per share before dilution (SEK)	-0,07	0,19	0,69	0,81
Earnings per share after dilution (SEK)	-0,07	0,19	0,69	0,81
Average number of outstanding shares*	15 819 673	15 000 000	15 327 869	15 000 000
Cash flow from operating activities	-4,7	2,9	21,1	26,1

*Adjusted for share split in September 2021, 1:300

ALTERNATIVE PERFORMANCE MEASURES NOT DEFINED UNDER IFRS

MSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Net sales growth	21%	5%	18%	0%
Recurring revenues	15,6	13,2	59,3	50,9
Recurring revenue growth	18%	19%	16%	14%
Percentage of recurring revenues	58%	60%	62%	63%
Service revenues	11,1	8,6	36,6	29,5
CARR	78,8	61,8	78,8	61,8
CARR growth	28%	13%	28%	13%
Order book	15,7	10,0	15,7	10,0
EBITDA	2,0	6,6	26,3	27,1
EBITDA-margin	7%	30%	27%	33%
EBITA	0,6	5,4	20,8	22,2
EBITA-margin	2%	24%	22%	27%
EBIT	-1,3	3,8	13,8	16,3
EBIT-margin	-5%	17%	14%	20%
Items affecting comparability	-5,5	0,0	-5,5	0,0
Adjusted EBITDA	7,5	6,6	31,8	27,1
Adjusted EBITDA-margin	28%	30%	33%	33%
Adjusted EBITA	6,1	5,4	26,4	22,2
Adjusted EBITA-margin	23%	24%	27%	27%
Adjusted EBIT	4,2	3,8	19,3	16,3
Adjusted EBIT-margin	16%	17%	20%	20%
Adjusted profit after tax	3,3	2,9	14,9	12,1
Adjusted earnings per share before and after dilution (SEK)	0,21	0,19	0,98	0,81
Net cash position (excluding lease liabilities)	91,8	0,4	91,8	0,4
Average number of employees	96	82	86	80

Definition of the performance measures can be found on page 14-15

CONSOLIDATED INCOME STATEMENT

TSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Net sales	26 706	22 146	96 265	81 284
Other operating income	0	10	0	111
Total operating income	26 706	22 156	96 265	81 395
Operating and product costs	-1 154	-1 282	-4 680	-4 861
Own work capitalised	2 919	2 780	11 327	9 597
Personnel expenses	-18 749	-15 036	-64 205	-51 705
Other external expenses	-7 727	-1 992	-12 454	-7 357
Depreciation	-3 295	-2 837	-12 473	-10 782
Total operating expenses	-28 006	-18 367	-82 485	-65 108
Operating profit	-1 300	3 789	13 780	16 287
Financial items	-66	-178	-409	-892
Profit after financial items	-1 366	3 611	13 371	15 395
Tax	235	-715	-2 820	-3 308
Profit for the period	-1 131	2 896	10 551	12 087
Profit attributable to equity holders of the parent	-1 131	2 896	10 551	12 087
Earnings per share (SEK)				
Number of shares*	15 819 673	15 000 000	15 327 869	15 000 000
Basic and diluted earnings per share	-0,07	0,19	0,69	0,81

*Adjusted for share split in September 2021, 1:300

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

TSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Profit for the period	-1 131	2 896	10 551	12 087
Other comprehensive income	0	0	0	0
Comprehensive income for the period	-1 131	2 896	10 551	12 087
Comprehensive income for the period attributable to equity holders of the parent	-1 131	2 896	10 551	12 087

CONSOLIDATED BALANCE SHEET

TSEK	2021-12-31	2020-12-31
ASSETS		
Non-current assets		
Capitalised development expenditure	30 330	22 852
Software	13 067	16 267
Goodwill	29 249	29 249
Equipment	3 241	2 287
Right-of-use assets	7 253	8 870
Deferred tax asset	636	0
Total non-current assets	83 776	79 525
Current assets		
Trade receivables	9 049	3 889
Current tax assets	2 789	0
Other receivables	4 844	2 928
Prepaid expenses and accrued income	2 577	2 385
Cash and cash equivalents	91 838	8 654
Total current assets	111 097	17 856
TOTAL ASSETS	194 873	97 381
EQUITY AND LIABILITIES		
Equity attributable to equity holders of the parent		
Share capital	555	50
Other paid-in capital	132 791	42 350
Retained earnings including profit for the period	26 122	16 021
Total equity	159 468	58 421
Non-current liabilities		
Deferred tax liabilities	8 962	8 055
Non-current lease liabilities	3 522	4 796
Amounts owed to credit institutions	0	1 750
Total non-current liabilities	12 484	14 601
Current liabilities		
Amounts owed to credit institutions	0	6 500
Trade payables	1 863	2 436
Current tax liabilities	0	9
Current lease liabilities	3 971	4 318
Other liabilities	3 529	1 582
Accrued expenses and deferred income	13 558	9 514
Total current liabilities	22 921	24 359
Total liabilities	35 405	38 960
TOTAL EQUITY AND LIABILITIES	194 873	97 381

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Share capital	Other paid-in capital	Retained earnings including profit for the period	Total equity attributable to equity holders of the parent
Opening equity at 2020-01-01	50	42 350	3 934	46 334
Comprehensive income				
Net income for the period	-	-	12 087	12 087
Other comprehensive income for the period	-	-	-	-
Total other comprehensive income	-	-	12 087	12 087
Closing balance at 2020-12-31	50	42 350	16 021	58 421
Opening equity at 2021-01-01	50	42 350	16 021	58 421
Comprehensive income				
Net income for the period	-	-	10 551	10 551
Other comprehensive income for the period	-	-	-	-
Total other comprehensive income	-	-	10 551	10 551
Transactions with owners				
Bonus issue	450	-	-450	-
New share issue	55	99 945	-	100 000
New share issue transactions costs after tax	-	-9 504	-	-9 504
Total transactions with owners	505	90 441	-450	90 496
Closing balance at 2021-12-31	555	132 791	26 122	159 468

CONSOLIDATED CASH FLOW ANALYSIS

TSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Operating activities				
Profit before tax	-1 366	3 611	13 371	15 395
Adjustment for items not included in cash flow	3 296	2 838	12 473	10 782
Income tax paid	-789	741	-2 881	-1 348
Cash flow from operating activities before changes in working capital	1 141	7 190	22 963	24 829
Increase (-)/Decrease (+) in operating receivables	-5 011	17	-7 268	657
Increase (+)/Decrease (-) in operating liabilities	-781	-4 258	5 418	656
Cash flow from changes in working capital	-5 792	-4 241	-1 850	1 313
Cash flow from operating activities	-4 651	2 949	21 113	26 142
Investing activities				
Investments in property, plant and equipment	-517	-164	-1 823	-932
Investment in non-current intangible assets	-2 919	-2 780	-11 327	-9 597
Cash flow from investing activities	-3 436	-2 944	-13 150	-10 529
Financing activities				
New share issue	100 000	0	100 000	0
New share issue transactions costs	-11 970	0	-11 970	0
Repayment of loans	0	-1 625	-8 250	-6 500
Repayment of lease liabilities	-1 115	-1 081	-4 559	-4 106
Cash flow from financing activities	86 915	-2 706	75 221	-10 606
Cash flow for the period	78 828	-2 701	83 184	5 007
Cash and cash equivalents at the start of the year	13 010	11 355	8 654	3 647
Cash and cash equivalents at the end of the year	91 838	8 654	91 838	8 654
Change in cash and cash equivalents	78 828	-2 701	83 184	5 007

PARENT COMPANY INCOME STATEMENT

TSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Net sales	1 349	0	1 349	0
Total operating income	1 349	0	1 349	0
Personnel expenses	-1 419	0	-1 419	0
Other external expenses	-5 553	-13	-5 570	-44
Total operating expenses	-6 972	-13	-6 989	-44
Operating profit	-5 623	-13	-5 640	-44
Income from shareholdings in group companies	0	0	9 231	4 476
Financial expenses	0	-95	-77	-487
Financial profit	0	-95	9 154	3 989
Profit after financial items	-5 623	-108	3 514	3 945
Year-end adjustments	14 600	530	14 600	530
Profit before tax	8 977	422	18 114	4 475
Tax	-1 830	0	-1 830	0
Profit for the period	7 147	422	16 284	4 475

PARENT COMPANY STATEMENT OF OTHER COMPREHENSIVE INCOME

TSEK	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Profit for the period	7 147	422	16 284	4 475
Other comprehensive income	0	0	0	0
Comprehensive income for the period	7 147	422	16 284	4 475
Comprehensive income for the period attributable to equity holders of the parent	7 147	422	16 284	4 475

PARENT COMPANY BALANCE SHEET

TSEK	2021-12-31	2020-12-31
ASSETS		
Non-current assets		
Shares in subsidiaries	78 638	78 638
Deferred tax asset	636	0
Total non-current assets	79 274	78 638
Current assets		
Receivables group companies	14 600	0
Current tax assets	91	0
Other receivables	1 342	0
Prepaid expenses and accrued income	46	0
Cash and cash equivalents	80 272	96
Total current assets	96 351	96
TOTAL ASSETS	175 625	78 734
EQUITY AND LIABILITIES		
Equity		
Restricted equity		
Share capital	555	50
Total restricted equity	555	50
Non-restricted equity		
Share premium reserve	90 441	0
Retained earnings	66 264	62 239
Net income for the period	16 284	4 475
Total non-restricted equity	172 989	66 714
Total equity	173 544	66 764
Non-current liabilities		
Amounts owed to credit institutions	0	1 750
Total non-current liabilities	0	1 750
Current liabilities		
Amounts owed to credit institutions	0	6 500
Trade payables	728	0
Liabilities group companies	0	3 720
Other liabilities	271	0
Accrued expenses and deferred income	1 082	0
Total current liabilities	2 081	10 220
Total liabilities	2 081	11 970
TOTAL EQUITY AND LIABILITIES	175 625	78 734

NOTES

1. Accounting principles

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act and RFR 2 Accounting for Legal Entities. The interim report has been prepared in accordance with IAS 34 Interim Financial Reporting.

New IFRS standards and amendments with future application are not expected to have any material effect on the Group's financial reporting.

Applied accounting principles as well as estimates and assessments are in accordance with what is stated in the annual report for the most recent financial year.

2. Dividend and dividend policy

The annual general meeting decided that no dividends would be paid for the 2020 financial year.

The Company's Board of Directors intends to use the cash flow generated by the business primarily for continued investments in growth, both organic and through acquisitions. Although growth is a priority, the Board of Directors will assess annually the possibility of a dividend, taking into account the development of the business, the operating profit and the financial position.

The Board of Directors proposes to the annual general meeting that no dividend is paid to the shareholders for the financial year 2021.

3. Transactions with related parties

The nature and scope of transactions with related parties have not changed compared with the information provided in the annual report for the most recent financial year.

The parent company has invoiced the subsidiary for internal group services. In addition, no other significant transactions with related parties have taken place. Where applicable, transactions with related parties have been on market terms.

4. Risks and uncertainties

The Group's significant risks and uncertainties are described in the annual report for the most recent financial year. No significant changes in the Group's and the Parent Company's risk and uncertainty factors occurred during the period.

Momentum's most significant risks are reduced sales and the failure to retain and recruit competent employees.

Net sales for the year amounted to MSEK 96.3 (81.3) and whereof 62 (63) percent was recurring revenues. Recurring revenues have generally increased over time. Remaining revenues mainly consist of service revenues from implementations which have a greater uncertainty factor as they are affected by short-term demand. This uncertainty factor is reduced by the fact that these services are linked to the own products.

Momentum's employees are important to the business and access to competent employees is a critical success factor. The company meets this by offering competitive and market-based terms of employment. However, the availability of staff with the right skills varies over time, which can lead to cost increases.

Covid-19

The spread of Covid-19 has not caused any significant impact on the development of the company's operations, position and results. Momentum's business model, which consists of a high proportion of recurring revenues, provides a good basis for dealing with external risk factors such as the ongoing pandemic.

5. Financial risk management

The Group has an overall low risk profile, however, the company's earnings and cash flow are affected both by changes in the rest of the world and by the Group's own actions. The Group's overall risk management policy, which is established by the Board, aims to clarify and analyse the risks that the Group faces and, as far as possible, to prevent and limit any negative effects.

Through its operations, the Group is exposed to various financial risks, the most significant of which are considered to be market risk, credit risk and liquidity risk. These are described in more detail in the annual report for the most recent financial year.

6. Operating segment reporting

The company's internal reporting is primarily based on cash-generating units and currently has no overall segment reporting, as all units operate in sales and system development. The company has offices in three different locations, but the business is conducted as an integrated unit and within Sweden as a whole, which is why no segment reporting is provided.

DEFINITIONS OF ALTERNATIVE PERFORMANCE MEASURES

Performance measure	Definition	Reason for using the performance measure
Net sales growth	The percentage increase in net sales compared with the corresponding period of the previous year	This performance measure is used to compare growth between different periods and against the overall market
Recurring revenues	Annual recurring revenues, meaning SaaS revenues and support and maintenance revenues	This performance measure is useful for industry benchmarking and gives an indication of the proportion of the company's revenues that are recurring
Recurring revenue growth	Percentage increase in subscription revenues compared with the same period of the previous year	This performance measure is used to compare growth between different periods and against the overall market
Percentage of recurring revenues	Recurring revenues as a percentage of net sales	This performance measure gives an indication of the proportion of the Company's revenues that are recurring
Service revenues	Revenues from consultancy services, meaning implementation and ongoing work	This performance measure mainly gives an indication of the implementation rate for the period
CARR	Contracted Annual Recurring Revenue is the value of the contracted annualised recurring subscription revenues with deduction for terminated contracts	This performance measure is useful for industry benchmarking and indicates the total amounts for all the customer contracts signed
CARR growth	The percentage increase in the CARR compared with the same period of the previous year	This performance measure is useful as it indicates the increase in the total amounts for all the customer contracts signed between different points in time
Order book	Contracted annual subscription revenues from SaaS contracts that have not yet been implemented	This performance measure gives an indication of future recurring revenues and service revenues from implementations
EBITDA	Operating profit excluding the depreciation and amortisation of property, plant and equipment and non-current intangible assets	This measure is used to assess the Company's operating activities. The EBITDA supplements the information provided by the operating profit as it indicates the Company's cash profit from operating activities.
EBITDA-margin	EBITDA as a percentage of net sales	This performance measure is useful for providing an overall assessment of profitability in relation to revenue
EBITA	Operating profit excluding amortisation of intangible assets	This measure is used to assess the Company's operating activities. EBITA supplements the information provided by the operating profit as it indicates the Company's cash profit from operating activities less amortisation of intangible assets
EBITA-margin	EBITA as a percentage of net sales	This performance measure is useful for providing an overall assessment of profitability in relation to sales
EBIT	Operating profit	The purpose of this performance measure is to provide an indication of the Company's underlying profit generated by its operating activities
EBIT-margin	EBIT as a percentage of net sales	The EBIT margin is a measure that is useful, together with net sales growth, for the overall assessment of profitability in relation to sales
Items affecting comparability	Refers to items that are reported separately as they are of a significant nature, affect comparison and are considered foreign from the ordinary core business. Examples are acquisition-related items, expenses relating to public listing of shares, and restructuring costs.	The performance measure items affecting comparability is used to obtain a fair comparison of the underlying development in the operating activities

Performance measure	Definition	Reason for using the performance measure
Adjusted EBITDA	EBITDA adjusted for the effect of items affecting comparability	The purpose is to show EBITDA excluding items that interfere with the comparison with other periods
Adjusted EBITDA-margin	Adjusted EBITDA as a percentage of net sales	To assess profitability in relation to sales excluding items that interfere with the comparison with other periods
Adjusted EBITA	EBITA adjusted for the effect of items affecting comparability	The purpose is to show EBITA excluding items that interfere with the comparison with other periods
Adjusted EBITA-margin	Adjusted EBITA as a percentage of net sales	To assess profitability in relation to sales excluding items that interfere with the comparison with other periods
Adjusted EBIT	Operating profit, EBIT, adjusted for the effect of items affecting comparability	The purpose is to provide an indication of the Company's underlying profit generated by operating activities excluding items that interfere with the comparison with other periods
Adjusted EBIT-margin	Adjusted EBIT as a percentage of net sales	To assess profitability in relation to sales excluding items that interfere with the comparison with other periods
Adjusted profit after tax	Profit after tax according to the income statement adjusted for the effect of items affecting comparability, including tax effects	The measure is a complement to adjusted EBIT with the aim of showing profit after tax without items that affect comparison with other periods
Adjusted earnings per share before and after dilution (SEK)	Profit for the period after deductions for items affecting comparability, including tax effects, per share before and after dilution	Adjusted earnings per share show the underlying operating profit-generating ability per share
Net cash position (excluding lease liabilities)	Cash and cash equivalents and interest-bearing receivables less interest-bearing liabilities (excluding lease liabilities)	This performance measure indicates the Company's indebtedness
Average number of employees	Average number of full-time employees over the period	This performance measure is indicated to show the change in the number of employees over time
Organic growth	The percentage increase in net sales in relation to the corresponding period last year adjusted for, for example, effects of acquisitions, divestments and changed accounting principles	The measure shows growth in net sales adjusted for acquisitions during the past twelve months. Acquired businesses are included in organic growth when they have been part of the Group for four quarters. The measure is used to analyse underlying net sales growth in existing businesses.
Churn	The value of terminated revenue from customers who have terminated contracts in the last twelve months divided by contracted annual recurring revenue at the beginning of the period	Relevant for showing the percentage of terminated values of customer contracts between different times, the key figure is also relevant for industry benchmarking

RECONCILIATION TABLES ALTERNATIVE PERFORMANCE MEASURES

	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Net sales growth (MSEK)				
Net sales, the period	26,7	22,1	96,3	81,3
Net sales, same period previous year	22,1	21,1	81,3	81,0
Net sales growth	21%	5%	18%	0%
Recurring revenue growth and percentage (MSEK)				
Net sales, the period	26,7	22,1	96,3	81,3
Recurring revenues, the period	15,6	13,2	59,3	50,9
Recurring revenues, same period prev. year	13,2	11,0	50,9	44,7
Recurring revenue growth	18%	19%	16%	14%
Percentage of recurring revenues	58%	60%	62%	63%

Reconciliation EBIT/EBITA/EBITDA and adjusted EBIT/EBITA/EBITDA (MSEK)	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Net sales	26,7	22,1	96,3	81,3
EBIT (Operating profit)	-1,3	3,8	13,8	16,3
EBIT-margin	-5%	17%	14%	20%
Amortisation of intangible assets	1,9	1,6	7,0	5,9
EBITA	0,6	5,4	20,8	22,2
EBITA-margin	2%	24%	22%	27%
Amortisation of property, plant and equipment and non-current intangible assets	1,4	1,3	5,4	4,9
EBITDA	2,0	6,6	26,3	27,1
EBITDA-margin	7%	30%	27%	33%
Items affecting comparability	5,5	0,0	5,5	0,0
Adjusted EBIT	4,2	3,8	19,3	16,3
Adjusted EBIT-margin	16%	17%	20%	20%
Adjusted EBITA	6,1	5,4	26,4	22,2
Adjusted EBITA-margin	23%	24%	27%	27%
Adjusted EBITDA	7,5	6,6	31,8	27,1
Adjusted EBITDA-margin	28%	30%	33%	33%

Adjusted profit after tax (MSEK) and adjusted earnings per share (SEK)	Q4 2021	Q4 2020	Q1-Q4 2021	Q1-Q4 2020
Profit after tax	-1,1	2,9	10,6	12,1
Items affecting comparability after tax	4,4	0,0	4,4	0,0
Adjusted profit after tax	3,3	2,9	14,9	12,1
Average number of outstanding shares	15 819 673	15 000 000	15 327 869	15 000 000
Adjusted earnings per share before and after dilution (SEK)	0,21	0,19	0,98	0,81

CARR growth (MSEK)	2021-12-31	2020-12-31
CARR att the end of the period	78,8	61,8
CARR at the same period previous year	61,8	54,5
CARR growth	28%	13%

Net cash position excluding lease liabilities (MSEK)	2021-12-31	2020-12-31
Cash and cash equivalents	91,8	8,7
Interest-bearing non-current liabilities	-3,5	-6,5
- Less non-current lease liabilities	3,5	4,7
Interest-bearing current liabilities	-4,0	-10,8
- Less current lease liabilities	4,0	4,3
Net cash position (excluding lease liabilities)	91,8	0,4