

Momentum Group AB (publ)

Interim Report 1 Jan–31 Mar 2022



2022



Stable business situation and positive earnings trend despite global concerns

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Favorable underlying demand in both business areas, but the global component shortage and Covid-19 related sickness absence had a certain impact on sales during the quarter. Organic sales growth combined with good cost control and well-managed price increases from suppliers led to an increase in EBITA of 19 per cent compared with the first quarter of the preceding year.

First quarter 2022

- Revenue increased by 14 per cent to SEK 399 million (350), of which 11 per cent was for comparable units.
- Operating profit rose by 6 per cent to SEK 37 million (35), corresponding to an operating margin of 9.3 per cent (10.0). Profit included expenses affecting comparability of SEK -4 million attributable to the separate listing process.
- EBITA increased by 19 per cent to SEK 44 million (37), corresponding to an EBITA margin of 11.0 per cent (10.6).

- Profit for the quarter increased by 4 per cent to SEK 28 million (27), corresponding to earnings per share of SEK 0.55 (0.55).
- The return on working capital (EBITA/WC) was 62 per cent (53).
- The equity/assets ratio was 50 per cent (36) at the end of the period.
- An Extraordinary General Meeting (EGM) on 26 January resolved on a changed share structure and a bonus issue.
- The Annual General Meeting was held on 11 February and resolved to change the company from a private to a public company.
- On 23 March, an EGM of Shareholders of Alligo AB resolved to distribute and list Momentum Group separately.
- Momentum Group was listed on Nasdaq Stockholm's main list on 31 March.

	Q1			R12 until Mar		
	2022	2021	Δ	2022	2021	Δ
Revenue	399	350	14%	1,540	1,187	30%
Operating profit	37	35	6%	157	126	25%
of which: Items affecting comparability	-4	-		-10	-	
of which: Amortisation of intangible assets in connection with acquisitions	-3	-2		-11	-5	
EBITA	44	37	19%	178	131	36%
Net profit	28	27	4%	118	97	22%
Earnings per share before and after dilution, SEK	0.55	0.55	-	2.30	1.90	21%
Operating margin	9.3%	10.0%		10.2%	10.6%	
EBITA margin	11.0%	10.6%		11.6%	11.0%	
Return on working capital (EBITA/WC)				62%	53%	
Equity/assets ratio				50%	36%	

Events after the end of the period

- No significant events took place after the end of the period.

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A quarterly presentation is now available on the company's website, momentum.group, where CEO Ulf Lilius and CFO Niklas Enmark review the report and provide an update on operations.



Increased focus enabling us to leverage on strategic and operational opportunities

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We noted favourable underlying demand during the first quarter in both of our business areas. The global shortage of components impacted deliveries during the quarter and Covid-19 related sickness absence, primarily in our service companies, impacted charged hours at the beginning of the quarter. Organic sales growth combined with good cost control and well-managed price increases from suppliers led to an increase in EBITA of 19 per cent compared with the first quarter of the preceding year.

A new start as an independent company

When the EGM of Shareholders of our former Parent Company resolved on 23 March 2022 to spin off and list Momentum Group separately, this marked the start of new opportunities. With an even clearer focus on the development of our operations in components and services for the Nordic industry, we now have better conditions to expand our operations. 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. We have a distinct growth strategy with the ambition of growing both through acquisitions and the development of existing operations. These are opportunities we are now working fully to realise.

On 31 March, Momentum Group 2.0 was introduced on the Nasdaq Stockholm Mid Cap list – a new company with a long-standing, tried and tested business philosophy.

Stable business situation despite global concerns

We noted favourable underlying demand during the first quarter of the year in most of our operations. However, the global shortage of components impacted final deliveries somewhat and Covid-19 related sickness absence, primarily in our service companies, impacted billed hours at the beginning of the quarter. We

believe that the shortage of components will continue during the second quarter, and we expect price increases in certain areas. Just as they have done in the past few years, our entrepreneurship-driven companies with decentralised responsibility will continue to implement mitigating measures to maintain a sound product delivery capacity and to handle price increases.

“We have a distinct growth strategy with the ambition of growing both through acquisitions and the development of existing operations. These are opportunities we are now working fully to realise.”

ULF LILIUS

An exciting year ahead

We are now standing on our own two feet, with a focus on growing our business organically and through acquisitions. Given our strong financial performance and



distinct strategy, I look forward to continuing an exciting financial year for Momentum Group as an independent listed company.

Stockholm, April 2022

Ulf Lilius
President & CEO



Sales performance

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Comments on the market

General demand was favourable during the first quarter. Due to a global increase in demand, the shortage of materials and resources in some of the Group's product areas continued to dampen sales to a certain extent through delivery delays during the quarter.

Despite the worsened security situation and the crisis in Ukraine, sales in the Group's operations are yet to be impacted. Elevated uncertainty due to the political situation, the continued global effects of the Covid-19 pandemic and the clear rise in inflation, particularly in energy and fuel, make it likely that the shortage of

components will continue during the second quarter and that price increases can be anticipated in certain areas, such as freight.

The ongoing pandemic situation at the beginning of the quarter limited customer visits and sick leave during the period had a certain impact. Despite this, our dialogue with customers is positive and their perception is that our operations have retained a healthy delivery capacity in light of the prevailing situation. The current situation has not led to any changes in material assessments compared with those applied in the prospectus for admission to trading of the company's Class B shares published in March 2022.

Sales trend during the first quarter

The sales trend was positive during the first quarter for both business areas. The operations worked proactively to secure the best possible delivery capacity and offset increases in purchase prices and shipping costs.

During the first quarter, revenue increased 14 per cent compared with the year-earlier period and amounted to SEK 399 million (350). Growth in comparable units was about 11 per cent. The quarter included one more trading day than the corresponding quarter in the preceding year.

Growth in comparable units vs Q1 2021

+11%

Sales performance

	Q1
%	2022
Comparable units in local currency	11.1%
Currency effects	0.0%
Number of trading days	1.7%
Acquisitions	1.1%
Total change	13.9%





Earnings performance

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First quarter 2022

Operating profit rose by 6 per cent to SEK 37 million (35), corresponding to an operating margin of 9.3 per cent (10.0). Operating profit included expenses affecting comparability of SEK -4 million (-) related to the separate listing and mainly pertain to advisory costs, review costs and separation costs.

Operating profit was charged with amortisation of intangible non-current assets of SEK -3 million (-2) arising in conjunction with acquisitions and with depreciation of right-of-use assets and tangible non-current assets of SEK -12 million (-9). No exchange-rate translation effects impacted operating profit (0).

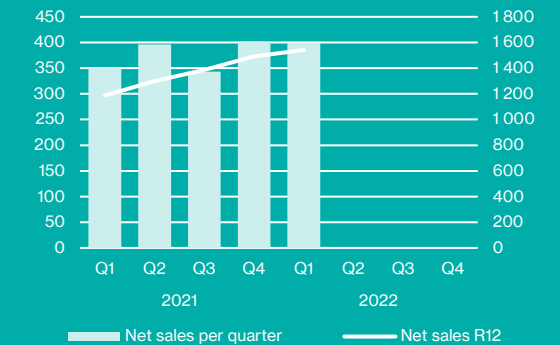
EBITA increased by 19 per cent to SEK 44 million (37), corresponding to an EBITA margin of 11.0 per cent (10.6).

Profit after financial items totalled SEK 36 million (34) and profit after tax amounted to SEK 28 million (27), which corresponds to earnings per share of SEK 0.55 (0.55) for the quarter.

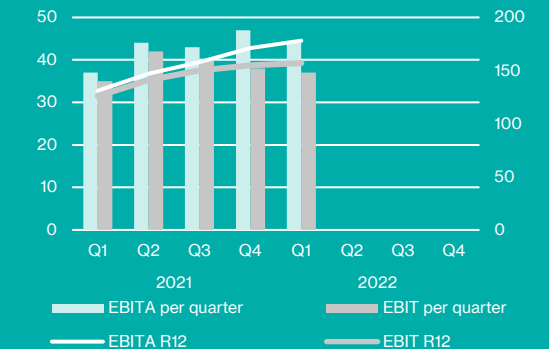


MSEK	Q1			R12 until Mar		
	2022	2021	Δ	2022	2021	Δ
Revenue	399	350	14%	1,540	1,187	30%
of which: Components	322	299	8%	1,232	1,095	13%
of which: Services	82	54	52%	323	102	217%
of which: Group-wide and eliminations	-5	-3		-15	-10	
Operating profit	37	35	6%	157	126	25%
EBITA	44	37	19%	178	131	36%
of which: Components	42	39	8%	174	149	17%
of which: Services	7	4	75%	28	10	180%
of which: Group-wide and eliminations	-5	-6		-24	-28	
Operating margin	9.3%	10.0%		10.2%	10.6%	
EBITA margin	11.0%	10.6%		11.6%	11.0%	

Revenue, SEK million



EBITA and operating profit, SEK million





Components business area

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

Operations

The sales trend in the Components business area was positive during the first quarter of the year.

In Momentum Industrial, sales increased in all product areas (bearings, automation, transmission and seals), with particularly strong demand and sales at the end of the quarter. Among the customers, the largest increase was mainly in the steel sector and other machine manufacturing.

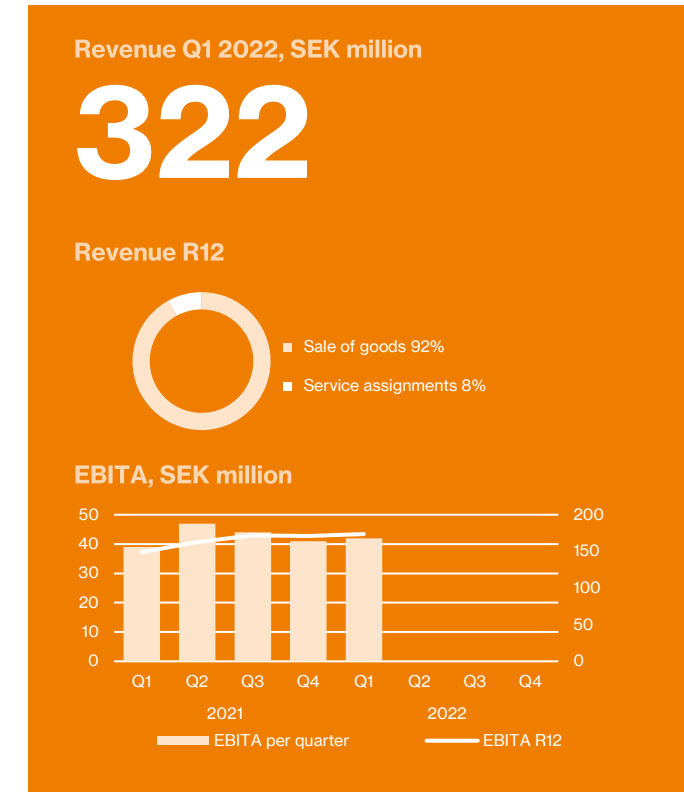
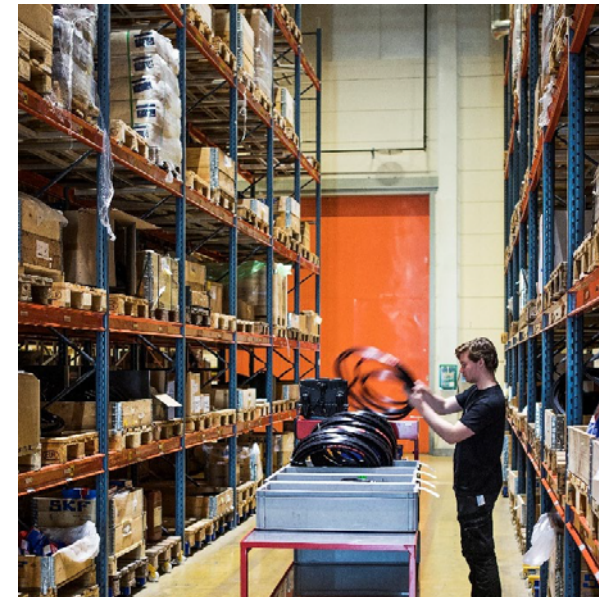
The specialist companies Öbergs, Etab and JNF all trended positively during the quarter, particularly through increased customer activity in system sales and projects. However, the impact of delivery delays and material shortages, primarily in hydraulics and pneumatics, led to deliveries of certain complete orders/systems being postponed.

Financial development Q1 2022

Revenue rose by 8 per cent to SEK 322 million (299) compared with the corresponding quarter of the preceding year. Revenue for comparable units, measured in local currency and adjusted for the number of trading days, rose by approximately 6 per cent.

EBITA amounted to SEK 42 million (39), corresponding to an EBITA margin of 13.0 per cent (13.0).

The business area's profitability, measured as the return on working capital (EBITA/WC), increased to 75 per cent (65).



MSEK	Q1			R12 until Mar		
	2022	2021	Δ	2022	2021	Δ
Revenue	322	299	8%	1,232	1,095	13%
EBITA	42	39	8%	174	149	17%
EBITA margin	13.0%	13.0%		14.1%	13.6%	
Return on working capital (EBITA/WC)				75%	65%	



Services business area

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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 digitised maintenance.

Operations

The Services business area performed well during the quarter in terms of both sales and earnings. The company Rörick Elektriska Verkstad contributed significantly to this performance as the acquisition of workshops from Assemblin is now fully integrated.

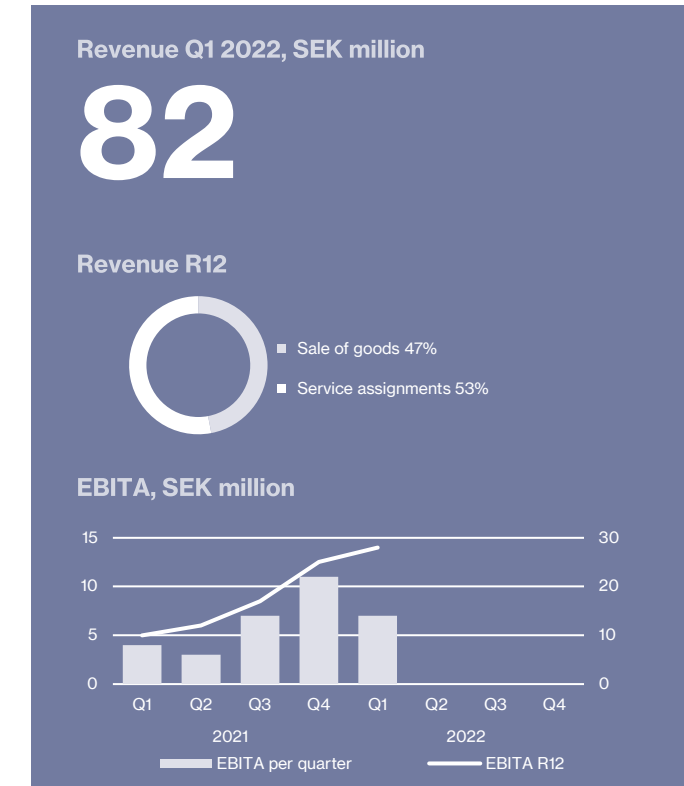
In total, the level of incoming work and enquiries remained favourable. However, some locations, primarily during the beginning of the quarter, experienced challenges as a result of Covid-19 related sickness, resulting in a negative impact on workshop activities and customer cultivation.

Financial development Q1 2022

Revenue increased to SEK 82 million (54). This increase was partly attributable to Rörick's closing of the acquisition of the three electromechanical service workshops from Assemblin through a conveyance of assets and liabilities on 1 April 2021.

EBITA amounted to SEK 7 million (4), corresponding to an EBITA margin of 8.5 per cent (7.4).

The business area's profitability, measured as the return on working capital (EBITA/WC), amounted to 47 per cent (59). The decrease was a result of the somewhat lower EBITA margin on a rolling 12-month basis, partly attributable to costs for the integration of businesses as well as the somewhat higher level of capital tied-up in acquired operations.



MSEK	Q1			R12 until Mar		
	2022	2021	Δ	2022	2021	Δ
Revenue	82	54	52%	323	102	217%
EBITA	7	4	75%	28	10	180%
EBITA margin	8.5%	7.4%		8.7%	9.8%	
Return on working capital (EBITA/WC)				47%	59%	



Profitability, cash flow and financial position

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Profitability

The Group's profitability, measured as the return on working capital (EBITA/WC), increased to 62 per cent (53) for the most recent 12-month period. The return on equity for the corresponding period was 28 per cent (31).

Cash flow

Cash flow from operating activities before changes in working capital for the reporting period totalled SEK 13 million (39). The decrease compared with the preceding year was primarily the result of paid tax of SEK -38 million (-6), a large proportion of which concerned supplementary payments regarding tax for the 2021 financial year.

During the period, inventories increased by SEK 4 million and operating receivables by SEK 0 million. Operating liabilities decreased by SEK 1 million. Accordingly, cash flow from operating activities for the reporting period amounted to SEK 8 million (36).

Cash flow from investing activities for the reporting period amounted to SEK 0 million (-79). Cash flow from investing operations for the comparative period pertained to net investments in non-current assets of SEK -1 million and acquisitions of subsidiaries and other business units of SEK -78 million.

Cash flow from financing operations includes a net change in interest-bearing liabilities of SEK -12 million (102).

The comparative period also included contributions and other transactions with owners with a net impact of SEK 6 million.

Financial position

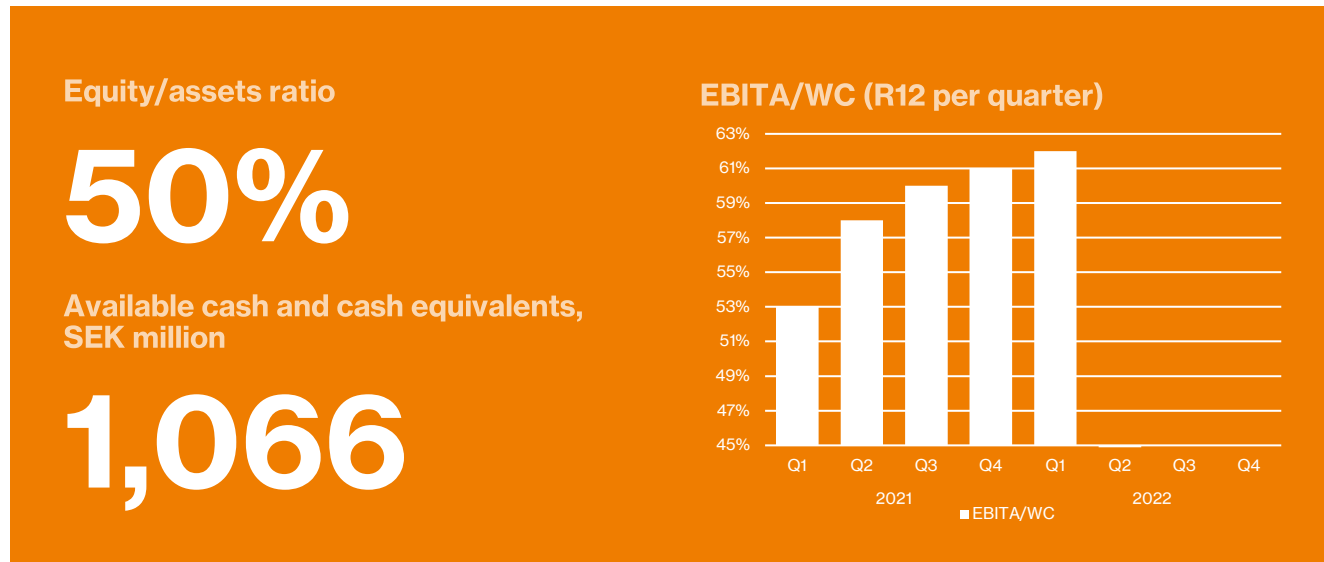
At the end of the reporting period, the Group's financial net loan liability amounted to SEK 63 million, compared with SEK 62 million at the beginning of the financial year. At the end of the period, the Group's operational net loan receivable amounted to SEK 57 million, compared with SEK 61 million at the beginning of the financial year.

Cash and cash equivalents, including unutilised granted credit facilities, totalled SEK 1,066 million. The company has a granted credit facility of SEK 800 million with a remaining maturity of about three years (with an option to extend) and unutilised credit in the company's committed credit facility totalling SEK 200 million. At the end of the period, the Group had met all financial obligations to lenders.

The equity/assets ratio at the end of the reporting period was 50 per cent (36).

Equity per share totalled SEK 9.60 at the end of the reporting period, compared with SEK 9.05 at the beginning of the financial year.

The balance-sheet total at the end of the period was SEK 979 million, compared with SEK 984 million at the beginning of the financial year.





Business combinations

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Acquisitions constitute an important part of Momentum Group's growth strategy and the company has a well-established model for evaluating, completing, integrating and welcoming new companies to the Group. Since the beginning of 2021, Momentum Group has completed five business combinations in line with its strategy that complemented the Group's service and maintenance offering.

Acquisition of electromechanical workshops from Assemblin

With the aim of further strengthening the Group's market position in service and maintenance for Swedish industry, an agreement was signed to acquire three electromechanical service workshops from Assemblin EI AB in early February 2021. The acquired workshops, which have their origin in NEA workshops (Närkes Elektriska), generate annual revenue of approximately SEK 90 million with favourable profitability and have some 45 employees. The acquisition was completed as a conveyance of assets and liabilities and closing took place on 1 April 2021.

Acquisitions of Mekano and Mekano i Sävedalen

Momentum Group also signed an agreement in early February 2021 to acquire 70 per cent of the shares of Mekano AB and 100 per cent of the shares of Mekano i Sävedalen AB, further strengthening the Group's market position in service and maintenance for Swedish industry. Mekano is one of Sweden's leading suppliers of products and services for the industrial services market, and the two Mekano companies generate combined annual revenue of approximately SEK 145 million with favourable profitability and have some 85 employees. Closing took place on 18 February 2021.

Acquisition of Öbergs i Karlstad

In early February 2021, Momentum Group acquired 100 per cent of the shares in Öbergs i Karlstad AB ("Öbergs"). The acquisition of Öbergs, a market-leading specialist company in pneumatics in Sweden, further strengthens the Group's position as a leading supplier of industrial components and related services to Swedish industry. Öbergs generates annual revenue of approximately SEK 50 million with favourable profitability and has 12 employees. Closing took place on 5 February 2021.

Acquisition of Intertechna in Hammarö

In late August 2021, Momentum Group acquired 100 per cent of the shares in Intertechna AB. The acquisition of Intertechna, a specialist company in digitised maintenance for industry, further strengthens the Group's position as a leading supplier of industrial components and related services to Swedish industry. The acquired company generates annual revenue of approximately SEK 25 million and has eight employees. Closing took place on 1 October 2021.

Acquisitions	Time	Revenue	No. of employees	Business Area
AB Carl A. Nilssons EI. Reparationsverkstad, SE	September, 2015	SEK 20 million	13	Services
Arboga Machine Tool AB, SE	March, 2017	SEK 10 million	5	Services
MRO operations from Brammer ² , SE	May, 2018	SEK 140 million	33	Components
ETAB Industriautomation AB ³ , SE	June, 2019	SEK 45 million	9	Components
SKFs spindle service operations, SE	November, 2020	SEK 10 million	5	Services
Mekano AB ³ , SE	February, 2021	SEK 110 million	75	Services
Mekano i Sävedalen AB, SE	February, 2021	SEK 35 million	10	Services
Öbergs i Karlstad AB, SE	February, 2021	SEK 50 million	12	Components
Service workshops from Assemblin EI, SE	April, 2021	SEK 90 million	45	Services
Intertechna AB, SE	October, 2021	SEK 25 million	8	Services

¹ Refers to information for the full year on the date of acquisition.

² The acquisition was carried out as a conveyance of assets and liabilities.

³ Momentum Group initially acquired 70 per cent of the shares in each company.



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Parent Company

The Parent Company's revenue for the reporting period amounted to SEK 3 million (1) and the loss after financial items totalled SEK -8 million (-1). The loss of SEK -7 million (-1) for the reporting period does not include any Group contributions received or similar items (-).

Employees

At the end of the reporting period, the number of employees in the Group amounted to 499, compared with 484 at the beginning of the year.

The share

An EGM held on 26 January 2022 resolved on the issue of Class A and Class B shares, the split of the company's shares and a bonus issue. At the end of the reporting period, the share capital amounted to SEK 25.2 million and the number of shares to 50,480,889.

Class of share

Class A shares (10 votes/share)	564,073
Class B shares (1 vote/share)	49,916,816
Total	50,480,889

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

Transactions with related parties

An EGM of Alligo AB on 23 March 2022 approved the spin-off and separate listing of the Momentum Group subsidiary. Other than purchases of certain consumables from companies in the Alligo Group, 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 remuneration of senior management follows the guidelines established in the Group.

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. Thealso considers cyber-related risks to be important.

The future trend in the market and in demand may be impacted by the uncertain security situation as a result of Russia's invasion of Ukraine and the continued spread of Covid-19, which could also impact delivery times and accessibility. The Parent Company is impacted indirectly by the above risks and uncertainties through its function in the Group.

Events after the end of the period

No significant events occurred after the end of the period.

Stockholm, 27 April 2022

Ulf Lilius

President & CEO

This report has not been reviewed by the Company's auditors.

Dates for forthcoming financial information

14 July 2022

Interim Report for the second quarter

27 October 2022

Interim Report for the third quarter

15 February 2023

Year-end financial report 2022

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Condensed income statement

	Q1		Full year	
	2022	2021	R12 until Mar	2021
Revenue	399	350	1,540	1,491
Other operating income	2	1	5	4
Total operating income	401	351	1,545	1,495
Cost of goods sold	-211	-192	-814	-795
Personnel costs	-101	-79	-364	-342
Depreciation, amortisation, impairment losses and reversal of impairment losses	-15	-11	-58	-54
Other operating expenses	-37	-34	-152	-149
Total operating expenses	-364	-316	-1,388	-1,340
Operating profit	37	35	157	155
Financial income	0	0	0	0
Financial expenses	-1	-1	-7	-7
Net financial items	-1	-1	-7	-7
Profit after financial items	36	34	150	148
Taxes	-8	-7	-32	-31
Net profit	28	27	118	117
Of which attributable to:				
Parent Company shareholders	28	27	117	116
Non-controlling interests	0	0	1	1
Earnings per share (SEK)				
Before dilution	0.55	0.55	2.30	2.30
After dilution	0.55	0.55	2.30	2.30

Condensed statement of comprehensive income

	Q1		Full year	
	2022	2021	R12 until Mar	2021
Net profit	28	27	118	117
Other comprehensive income for the period				
<i>Components that will not be reclassified to net profit</i>				
Total components that will not be reclassified to net profit	-	-	-	-
<i>Components that will be reclassified to net profit</i>				
Translation differences	0	1	-1	0
Fair value changes for the year in cash-flow hedges	0	0	0	0
Tax attributable to components that were or can be reclassified to net profit	0	0	0	0
Total components that will be reclassified to net profit	0	1	-1	0
Other comprehensive income for the period	0	1	-1	0
Comprehensive income for the period	28	28	117	117
Of which attributable to:				
Parent Company shareholders	28	28	116	116
Non-controlling interests	0	0	1	1



Condensed balance sheet

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Non-current assets			
Intangible non-current assets	281	265	284
Tangible non-current assets	16	12	17
Right-of-use assets	125	74	127
Financial investments	1	1	1
Deferred tax assets	2	1	1
Total non-current assets	425	353	430
Current assets			
Inventories	217	193	213
Accounts receivable	250	225	255
Other current receivables	21	11	16
Current investments	-	178	-
Cash and cash equivalents	66	32	70
Total current assets	554	639	554
Total assets	979	992	984

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders	485	355	458
Non-controlling interests	17	16	17
Total equity	502	371	475
Non-current liabilities			
Non-current interest-bearing liabilities	9	100	9
Non-current lease liabilities	77	39	82
Other non-current liabilities and provisions	57	52	56
Total non-current liabilities	143	191	147
Current liabilities			
Current interest-bearing liabilities	-	111	-
Current lease liabilities	43	31	41
Accounts payable	161	148	153
Other current liabilities	130	140	168
Total current liabilities	334	430	362
Total liabilities	477	621	509
Total equity and liabilities	979	992	984

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Statement of changes in equity

	Equity attributable to Parent Company shareholders				Non-controlling interests	Total equity
	Share capital	Reserves	Retained earnings incl. profit/loss for the year	Total		
MSEK						
Closing equity, 31 Dec 2020	0	1	336	337	6	343
Net profit			27	27	0	27
Other comprehensive income		1	-	1		1
Acquisitions of partly owned subsidiaries				-	10	10
Other transactions with owners ¹			6	6		6
Tax effect on other transactions with owners			-1	-1		-1
Option liability, acquisitions ²			-15	-15		-15
Closing equity, 31 Mar 2021	0	2	353	355	16	371
Net profit			89	89	1	90
Other comprehensive income		-1	-	-1		-1
Other transactions with owners ¹			16	16		16
Tax effect on other transactions with owners	0		-4	-4		-4
Change in value of option liability ³			3	3		3
Closing equity, 31 Dec 2021	0	1	457	458	17	475
Net profit			28	28	0	28
Other comprehensive income		0	-	0		0
Bonus issue ⁴	25		-25	0		0
Change in value of option liability ³			-1	-1		-1
Closing equity, 31 Mar 2022	25	1	459	485	17	502

¹Mainly pertains to the Group's share of expenses recognised in Alligo AB.

²Refers to the value of put options in relation to non-controlling interests in the acquired subsidiary Mekano 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 company and may be extended from 2025 by one year at a time.

³Pertains 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.

⁴Pertains to a completed bonus issue in accordance with a resolution of the EGM on 26 January 2022.

Condensed cash-flow statement

	Q1		Full year	
	2022	2021	R12 until Mar	2021
Operating activities				
Cash flow from operating activities before changes in working capital	13	39	145	171
Changes in working capital	-5	-3	-4	-2
Cash flow from operating activities	8	36	141	169
Investing activities				
Purchase of intangible and tangible non-current assets	0	-1	-4	-5
Acquisition of subsidiaries and other business units	-	-78	-42	-120
Cash flow from investing activities	0	-79	-46	-125
Cash flow before financing	8	-43	95	44
Financing activities				
Financing activities	-12	108	-239	-119
Cash flow for the period	-4	65	-144	-75
Cash and cash equivalents at the beginning of the period	70	145	210	145
Exchange-rate differences in cash and cash equivalents	0	0	0	0
Cash and cash equivalents at period-end	66	210	66	70

¹ The definition of cash and cash equivalents also includes current investments.



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Condensed income statement

SEK million	Q1		Full year	
	2022	2021	R12 until Mar	2021
Revenue	3	1	5	3
Other operating income	2	0	2	0
Total operating income	5	1	7	3
Operating expenses	-13	-1	-24	-12
Operating profit	-8	0	-17	-9
Financial income and expenses	0	-1	-2	-3
Profit after financial items	-8	-1	-19	-12
Appropriations	-	-	63	63
Profit/loss before tax	-8	-1	44	51
Taxes	1	0	-9	-10
Net profit/loss	-7	-1	35	41

In December 2021, the Parent Company received a Group contribution of SEK 80 million that is recognised in the line item appropriations.

Condensed balance sheet

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
ASSETS			
Intangible non-current assets	-	-	-
Tangible non-current assets	0	-	0
Financial non-current assets	43	43	43
Current receivables	81	1	168
Cash and cash equivalents	66	0	58
Total assets	190	44	269
EQUITY, PROVISIONS AND LIABILITIES			
Restricted equity	25	0	0
Non-restricted equity	52	42	84
Total equity	77	42	84
Untaxed reserves	17	-	17
Provisions	-	-	-
Non-current liabilities	-	-	-
Current liabilities	96	2	168
Total equity, provisions and liabilities	190	44	269

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. To support this, the Parent Company is the holder of the Group's cash pool and the Parent Company's current receivables and liabilities essentially comprise the subsidiaries' utilisation of credit facilities and the subsidiaries' surplus in the cash pool. At the beginning of the year, current receivables also included the Group contribution received of SEK 80 million, which was settled during the first quarter of 2022.



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1. Accounting policies

The Interim Report for the Group was prepared in accordance with IFRS and by applying IAS 34 Interim Financial Reporting, the Swedish Annual Accounts Act and the Swedish Securities Market Act. In addition to the financial statements and associated notes, other disclosures in accordance with IAS 34.16A are also presented in other sections of the report. The Interim Report for the Parent Company was prepared in accordance with the Swedish Annual Accounts Act and the Swedish Securities Market Act, which conforms to the provisions detailed in RFR 2 Accounting for Legal Entities. The same accounting policies and bases of judgement described in Note 1 Summary of key accounting policies and Note 2 Key estimates and judgements in Momentum Group's prospectus for admission to trading of the company's Class B shares published in March 2022 and pages F7-F13 have been applied.

IASB has issued additions and amendments to standards that will take effect for the Group on or after 1 January 2022. These additions and amendments are deemed not to be material for the consolidated financial statement.

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 primary areas of subsidiaries, leased assets, taxes, Group contributions and shareholder contributions.



The accounting policies are published in full on Momentum Group's website momentum.group/en/accounting-principles.

2. Financial instruments

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. Liabilities measured at fair value comprise hedging instruments for which the fair value is based on observable market data and which are therefore included in level 2 according to IFRS 13.

SEK million	31 Mar 2022	31 Mar 2021	31 Dec 2021
Financial assets measured at fair value			
Financial investments	0	0	0
Derivative hedging instruments	0	0	0
Financial assets measured at amortised cost			
Long-term receivables	1	1	1
Accounts receivable	250	225	255
Current investments	-	178	-
Cash and cash equivalents	66	32	70
Total financial assets	317	436	326
Financial liabilities measured at fair value			
Derivative hedging instruments	0	1	-
Financial liabilities measured at amortised cost			
Option liability	23	25	22
Interest-bearing liabilities	129	281	132
Accounts payable	161	148	153
Total financial liabilities	313	455	307



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3. Operating segments and information on income

The Group's operating segments comprise 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** consists of Momentum Industrial, ETAB Industriautomation, Öbergs and JNF

Køge, which offer spare parts, maintenance and repairs to customers in the industrial sector in the Nordic region. **Services** consists of Rörick Elektriska Verkstad, Carl A Nilssons Elektriska Reparationsverkstad, Mekano and Intertechna, which together provide technical industrial services, mainly to the Swedish market. **Group-wide** includes the Group's management, finance and support functions. The support functions include internal communications, investor relations and legal affairs.

Financial items and taxes are not distributed by operating segment but recognised in their entirety in Group-wide. Intra-Group pricing between the operating segments occurs on market terms. The accounting policies are the same as those applied in the consolidated financial statements. Revenue presented for the geographic markets below is based on the domicile of the customers.

SEK million	Jan-Mar 2022				
	Compon- ents	Services	Group-wide	Elimin- ations	Group total
Revenue					
From external customers per country					
Sweden	294	77	-	-	371
Norway	10	0	-	-	10
Denmark	13	0	-	-	13
Other countries	4	1	-	-	5
From other segments	1	4	2	-7	-
Total	322	82	2	-7	399
Revenue					
From external customers by class of revenue					
Sale of goods	295	42	-	-	337
Service assignments	26	35	-	-	61
Other income	0	1	-	-	1
From other segments	1	4	2	-7	-
Total	322	82	2	-7	399
EBITA	42	7	-5	0	44
Items affecting comparability	-	-	-4	-	-4
Amortisation of intangible assets in connection with corporate acquisitions	-1	-2	-	-	-3
Operating profit/loss	41	5	-9	0	37

SEK million	Jan-Mar 2021				
	Compon- ents	Services	Group-wide	Elimin- ations	Group total
Revenue					
From external customers per country					
Sweden	275	50	-	-	325
Norway	8	0	-	-	8
Denmark	12	1	-	-	13
Other countries	3	1	-	-	4
From other segments	1	2	1	-4	-
Total	299	54	1	-4	350
Revenue					
From external customers by class of revenue					
Sale of goods	274	22	-	-	296
Service assignments	23	30	-	-	53
Other income	1	0	-	-	1
From other segments	1	2	1	-4	-
Total	299	54	1	-4	350
EBITA	39	4	-6	0	37
Items affecting comparability	-	-	-	-	-
Amortisation of intangible assets in connection with corporate acquisitions	-1	-1	-	-	-2
Operating profit/loss	38	3	-6	0	35



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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

	Q1		R12 until Mar	
	2022	2021	2022	2021
IFRS performance measures				
Revenue	399	350	1,540	1,187
Profit for the period	28	27	118	97
IFRS performance measures per share (SEK)				
Earnings per share before dilution	0.55	0.55	2.30	1.90
Earnings per share after dilution	0.55	0.55	2.30	1.90
Other performance measures per share				
Equity per share before dilution, at the end of the period			9.60	7.05
Equity per share after dilution, at the end of the period			9.60	7.05
Number of shares (thousands of shares)				
Number of shares before dilution	50,481	50,481	50,481	50,481
Weighted number of shares before dilution	50,481	50,481	50,481	50,481
Weighted number of shares after dilution	50,481	50,481	50,481	50,481
Other performance measure				
No. of employees at the end of the period			499	420
Share price, SEK			80.00	-

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.

	Q1		R12 until Mar	
	2022	2021	2022	2021
Alternative performance measures				
Income statement-based performance measures				
Operating profit	37	35	157	126
of which: items affecting comparability	-4	-	-10	-
of which: Amortisation of intangible non-current assets in connection with corporate acquisitions	-3	-2	-11	-5
EBITA	44	37	178	131
Profit after financial items	36	34	150	123
Operating margin	9.3%	10.0%	10.2%	10.6%
EBITA margin	11.0%	10.6%	11.6%	11.0%
Profit margin	9.0%	9.7%	9.7%	10.4%
Profitability performance measures				
Return on working capital (EBITA/WC)			62%	53%
Return on capital employed			23%	25%
Return on equity			28%	31%
Performance measures on financial position				
Financial net loan liability			63	71
Operational net loan liability/receivable +/-			-57	1
Equity attributable to parent company shareholders			485	355
Equity/assets ratio			50%	36%

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Definitions of alternative performance measures and their purpose**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 and 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 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. Refer to the reconciliation table on page 4.



Derivation of alternative performance measures

EBITA	Q1		R12 until Mar	
	2022	2021	2022	2021
Operating profit	37	35	157	126
Items affecting comparability	4	-	10	-
Amortisation of intangible non-current assets in connection with corporate acquisitions	3	2	11	5
EBITA	44	37	178	131
Items affecting comparability				
Listing and separation costs	-4	-	-10	-
Total items affecting comparability	-4	-	-10	-
Operating margin				
Operating profit	37	35	157	126
Revenue	399	350	1,540	1,187
Operating margin	9.3%	10.0%	10.2%	10.6%
EBITA margin				
EBITA	44	37	178	131
Revenue	399	350	1,540	1,187
EBITA margin	11.0%	10.6%	11.6%	11.0%
Profit margin				
Profit after financial items	36	34	150	123
Revenue	399	350	1,540	1,187
Profit margin	9.0%	9.7%	9.7%	10.4%
EBITA/WC				
Average inventories			210	182
Average accounts receivables			231	183
Total average operating assets			441	365
Average accounts payables			-152	-118
Average working capital (WC)			289	247
EBITA			178	131
EBITA/WC			62%	53%

Return on capital employed	R12 until Mar	
	2022	2021
Average balance sheet total	1,036	763
Average non-interest-bearing non-current liabilities	-54	-28
Average non-interest-bearing current liabilities	-304	-227
Average capital employed	678	508
Operating profit	157	126
Financial income	0	0
Total operating profit + financial income	157	126
Return on capital employed	23%	25%
Return on equity		
Average equity attributable to parent company shareholders	423	309
Profit for the period attributable to the parent company shareholders	117	96
Return on equity	28%	31%
Financial net loan liability		
Non-current interest-bearing liabilities	86	139
Current interest-bearing liabilities	43	142
Current investments	-	-178
Cash and cash equivalents	-66	-32
Financial net loan liability	63	71
Operational net loan liability/receivable +/-		
Financial net loan liability	63	71
Leasing liability	-120	-70
Operational net loan liability/receivable +/-	-57	1
Equity/assets ratio		
Balance-sheet total	979	992
Equity attributable to the parent company shareholders	485	355
Equity/assets ratio	50%	36%

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Historical financial information

	R12 until				
	31 Mar 2022	31 Dec 2021	31 Dec 2020	31 Mar 2020	31 Mar 2019
Revenue	1,540	1,491	1,163	1,254	1,196
Operating profit	157	155	130	130	111
EBITA	178	171	134	134	114
Net profit	118	117	99	99	84
Intangible non-current assets	281	284	175	177	165
Right-of-use assets	125	127	51	60	-
Other non-current assets	19	19	12	8	7
Inventories	217	213	176	193	191
Current receivables	271	271	175	227	220
Cash and cash equivalents and current investments	66	70	145	31	29
Total assets	979	984	734	696	612
Equity attributable to Parent Company shareholders	485	458	337	259	143
Non-controlling interests	17	17	6	5	-
Interest-bearing liabilities and provisions	129	132	147	193	141
Non-interest-bearing liabilities and provisions	348	377	244	239	328
Total equity and liabilities	979	984	734	696	612
Operating margin	10.2%	10.4%	11.2%	10.4%	9.3%
EBITA margin	11.6%	11.5%	11.5%	10.7%	9.5%
Return on working capital (EBITA/WC)	62%	61%	54%	52%	46%
Return on equity	28%	30%	35%	49%	51%
Financial net loan liability	63	62	2	162	112
Operational net loan liability/receivable +/-	-57	-61	-45	107	112
Equity/assets ratio	50%	47%	46%	37%	23%
Earnings per share before and after dilution, SEK	2.30	2.30	1.90	1.95	1.65
Equity per share, SEK	9.60	9.05	6.70	5.15	2.85
Share price, SEK	80	-	-	-	-
No. of employees at the end of the period	499	484	329	339	335

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Developing and acquiring successful sustainable companies in the Nordic region

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Momentum Group is a leading company offering sustainable products and services and related value-creating services to the industrial sector. 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 AB

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 Org No: 559266-0699
 Board of Directors' registered office:
 Stockholm
momentum.group

Mission

Together for a sustainable industry

Our various companies focus on understanding customer needs in order to offer the best solution for the customer, based on their situation and needs.

Vision

The customer's best sustainable choice

The Group's businesses, together with their customers, partners and other stakeholders, will contribute to creating a sustainable industry from a social, environmental and economic perspective.

Our focus areas

- Business development through decentralised responsibility and employee development.
- Business development through active ownership.
- Growth through acquisitions of sustainable companies.

Business concept

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

For the Group's customers, it is important to maintain good profitability in their operations. Our companies sell quality products and related services that create value the customer throughout the life of the product or service.

Our financial targets

- EBITA growth: **>15%**
- Profitability EBITA/WC: **>45%**
- Dividend **>30%**

Revenue SEK million¹⁾

1,540

EBITA growth¹⁾

36%

Profitability, EBITA/WC¹⁾

62%

Employees²⁾

499

¹⁾ Refers to R12 until March 2022 EBITA growth is measured against the corresponding R12 period of the preceding year.

²⁾ Number of employees as of 31 March 2022.