

**Year-end Report
January – March 2020**

Q1



Lower net sales for the quarter, but stable demand within infrastructure

First quarter, January – March 2020

- Net Sales increased amounted to SEK 387.8 m (445.6), a decline of 13.0%.
- EBITDA before items affecting comparability amounted to SEK 48.5 m (49.8), a decline of 2.5%. The EBITDA margin before items affecting comparability increased to 12.5% (11.2%).
- EBITDA amounted to SEK 45.3 m (48.0), a decline of 5.7%. The EBITDA margin increased to 11.7% (10.8%).
- Operating profit (EBIT) amounted to SEK 22.1 m (28.9), a decline of 23.5%. The operating margin decreased to 5.7% (6.5%).
- Net profit amounted to SEK 8.3 m (14.4), a decline of 42.4%.
- Earnings per share, basic and diluted, was SEK 3.7 (7.0).
- Cash flow from operating activities amounted to SEK 13.4 m (13.8).
- On 6 March 2020, SÅCAB Åkericentral AB was acquired. The purchase price amounted to SEK 77 m. Financial development of SÅCAB is reported in Segment overview.
- The outbreak of Covid-19 has not had any significant impact on the Group's operations or liquidity during the quarter, but the Group anticipates that the pandemic could cause delays or cancellation of projects.

Financial overview

SEK m (unless stated otherwise)	Q1	Q1	Pro forma	Pro forma
	2020 ¹⁾	2019 ¹⁾	Q1 2020 ²⁾	Q1 2019 ²⁾
Net Sales	387,8	445,6	418,3	511,2
EBITDA before items affecting comparability	48,5	49,8	55,5	61,3
EBITDA before items affecting comparability margin, %	12,5%	11,2%	13,3%	12,0%
EBITDA	45,3	48,0	52,2	59,6
EBITDA margin, %	11,7%	10,8%	12,5%	11,7%
Operating profit (EBIT)	22,1	28,9	28,7	39,8
Operating margin, %	5,7%	6,5%	6,9%	7,8%
Net profit	8,3	14,4	13,3	23,0
Earnings per share (SEK), basic and diluted	3,7	7,0		
Cash flow from operating activities	13,4	13,8		

¹⁾ The 2019 data includes Uppländska, Bellmans and VSM for the period January – March and Samgräv for the period February – March. The 2020 data includes Uppländska, Bellmans, VSM and Samgräv for the period January – March and SÅCAB for the period March.

²⁾ To illustrate the development of the Bellman Group, pro forma figures January – March 2019 and 2020 are reported. Figures for Samgräv and SÅCAB are included as if the acquisitions of the subsidiaries had taken place on 1 January 2019.

In this report, comparable figures are provided in parentheses and refer to the same item in the corresponding period last year for the profit and loss and last period for the balance sheet, unless otherwise stated.

We make it possible to build – About Bellman Group

Bellman Group is a civil engineering group that operates in rock blasting, excavation, haulage, and mass handling in Sweden, primarily in the Stockholm and Gothenburg regions. The Group consists of Bellmans, which is a company active in renting machinery and haulage, Uppländska, which performs rock blasting operations, VSM, which carries out excavation work with large machinery, Samgräv, which is active in haulage, machine rental, mass handling and owns landfills, and SÅCAB which is active in haulage and also owns a landfill south of Stockholm.

In 2019, net sales for the Group were SEK 1.8 billion. Bellman Group, with registered offices in Solna, Sweden, has approximately 400 employees and 900 subcontractors. The parent company's corporate bonds are listed on Nasdaq Stockholm. Bellman Group is a group of strong growth with an explicit acquisition strategy.

Business concept

Bellman Group's business concept is to blast and excavate as well as transport and handle masses. We do this with focus on quality, efficiency and safety in complex projects and environments for customers in the construction sector.

Core values

- Quality
- Skill
- Security



Message from the CEO

The first quarter saw a decline in sales due to somewhat lower activity in the haulage operations and delays in some project. Sales from large infrastructure projects are stable and that we now own a landfill in the Stockholm area will benefit the haulage operations going forward.

Net sales for the first quarter amounted to SEK 387.8 m (445.6), which was 13% lower than the same period the previous year attributable to lower sales in VSM, Bellmans and Samgräv. Uppländska showed strong growth during the quarter driven by, among other things, wind farms. SÅCAB, which we acquired in March, saw increased sales during the first quarter compared with the same quarter previous year. Samgräv's sales decreased mainly due to a number of delayed projects within the transport operations. VSM and Bellmans both had an exceptionally strong first quarter last year. Common to all subsidiaries is that sales related to major infrastructure projects are good and we see continued growth.

EBITDA before items affecting comparability amounted to SEK 48.5 m (49.8) with a margin of 12.5% (11.2%). This shows the scalability in Bellman Group's business model. To the most part we use vehicles and machines that belong to subcontractors which means operating costs go down with lower sales, while we can easily scale up the delivery capacity when demand increases.

Optimistic about the future

The acquisition of SÅCAB is also part of our growth strategy. Access to landfills at a reasonable distance from the project sites is important for both environmental and cost reasons and being able to transport masses to our own landfills is a business opportunity we are trying to develop further.

It is impossible to predict what long-term effects Covid-19 will have on the construction industry in which we operate. We continue to follow recommendations from authorities and we also benefit from the fact that a large part of the Group's operations take place outdoors and that many work alone in their vehicles.

Experience from previous financial crises indicates that it is reasonable to assume a decline in housing construction, while investments in infrastructure are unlikely to be adversely affected. We expect the pandemic to cause some projects to be delayed or cancelled, but in general we have a positive view on the development in the markets in which we operate.

Håkan Lind, CEO Bellman Group



”In general we have a positive view of the development in markets in which we operate.”

Financial overview

First quarter, January – March 2020

Net Sales

The Group's consolidated net sales for the period amounted to SEK 387.8 m (445.6), a decline of -13.0% or SEK -57.9 m compared to the previous year. This was mainly a result of lower net sales in Bellmans of -25.1% to SEK 126.7 m (169.1) and in VSM of -10.9% to SEK 168.6 m (189.1). The lower net sales in Bellmans were mainly due to two extraordinary projects during the first quarter the previous year, and a decline in the haulage operation due to delayed customer projects. VSM's lower net sales were a result of fewer active projects compared to the same quarter last year which was a record year for VSM. Net sales in Uppländska increased by 15.6% to SEK 69.3 m (60.0), mainly driven by wind parks and infrastructure projects. Samgräv's net sales were in line with last year amounting to SEK 49.6 m (48.6). The acquisition of SÅCAB contributed with net sales of SEK 15.7 m during the first quarter. For further details see Segment overview.

Earnings

EBITDA before items affecting comparability amounted to SEK 48.5 m (49.8), a decline of -2.5% or SEK -1.3 m. This decline was mainly attributable to Samgräv -49.7% to SEK 3.3 m (6.6) and Bellmans -19.7% to SEK 6.8 m (8.5). Samgräv's decline in EBITDA was mainly a result of the lower net sales related to the Fäxhult landfill and the decline in Bellmans is primarily due to the lower net sales for the first quarter. VSM's earnings were in line with last year amounting to SEK 26.4 m (26.8). Uppländska's earnings increased by 15.0% to SEK 9.4 m (8.1), mainly driven by the increased net sales. SÅCAB contributed with SEK 2.5 m during the first quarter. For further details see Segment overview.

EBITDA amounted to SEK 45.3 m (48.0), a decrease of -5.7% or SEK -2.7 m. Items affecting comparability during the quarter amounted to SEK -3.2 m (-1.7) and comprised of acquisition expenses of SEK -2.2 m (-0.7) and expenses related to improvements of processes and procedures of SEK -1.0 m (-1.0).

Operating profit (EBIT) amounted to SEK 22.1 m (28.9) and included depreciation and amortization totaling SEK -23.2 m (-19.1), due to depreciation of tangible assets and concessions of SEK -22.3 m (-18.4) and amortization of intangible assets of SEK -0.9 m (-0.7).

Net financial items totaled SEK -11.8 m (-10.8) related to interest on the corporate bond of SEK -11.3 m (-10.7), external interest, mainly related to leasing, of SEK -0.4 m (-0.1) and an adjustment of Samgräv's conditional purchase price of SEK -0.1 m (0.0).

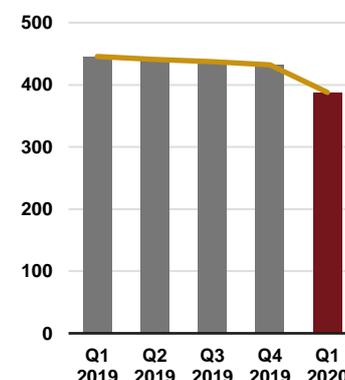
Net profit in the first quarter totaled SEK 8.3 m (14.4) with an effective tax rate of 19.3% (20.4%).

Cash flow

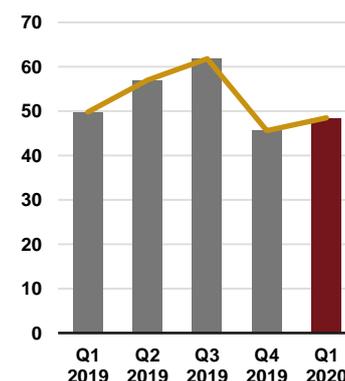
The Group's cash flow from operating activities totaled SEK 13.4 m (13.8). This was a result of an increased cash flow from operating activities before changes in working capital of SEK 33.6 m (28.3) and a negative variance in working capital of SEK -20.2 m (-14.5).

Cash flow from investing activities totaled SEK -54.7 m (-103.9). This was a result of the acquisition of SÅCAB SEK -41.4 m (-94.2 Samgräv) and new investments in tangible assets of SEK -15.0 m (-10.6) partly offset by sales of equipment SEK 1.7 m (0.9).

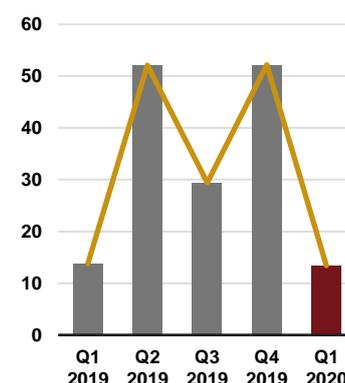
Net Sales, SEK m



EBITDA before items affecting comparability, SEK m



Cash flow from operating activities, SEK m



Cash flow from financing activities totaled SEK -9.9 m (77.6) and was mainly a result of repayment of a lease liability of SEK -6.8 m (-2.4) and repayment of SÅCAB's lease debt of SEK -3.1 m (-15.9 Samgräv loan). The first quarter 2019 included a new bond loan (SEK 95.9 m) due to the acquisition of Samgräv.

The cash flow for the quarter amounted to SEK -51.3 m (-12.4) resulting in cash and cash equivalent at end of the quarter of SEK 101.8 m compared to 82.1 at the end of the first quarter 2019.

Investments

The Group's investments in tangible assets totaled SEK 15.0 m (10.6), which referred to VSM SEK 7.3 m (1.8) (vehicles), Samgräv SEK 5.8 m (7.2) (landfills), Uppländska SEK 1.2 m (0.6) (vehicles), Bellmans SEK 0.0 m (0.9) (vehicles) and Parent company SEK 0.7 m (0.0) (vehicles).

Acquisitions

On 6 March 2020, Bellman Group completed the acquisition of SÅCAB Åkericentral AB, and indirectly its subsidiaries. The acquisition was funded by own cash and did not affect the number of shares or the corporate bond loan. For more information see note 6, Business combination.

Net interest-bearing debt

The Group's net interest-bearing debt, for covenant purposes, as of 31 March 2020, amounted to SEK 502.5 m (522.6). This comprised of bonds to a nominal value of SEK 600.0 m (600.0), lease liabilities of SEK 4.2 m (4.7) less cash and cash equivalents of SEK 101.8 m (82.1). Interest-bearing net debt in relation to rolling twelve-month pro forma¹⁾ EBITDA before items affecting comparability on 31 March 2020, was 2.06 (2.47).

Total net debt was SEK 606.6 m compared to SEK 675.5 m, as of March 31, 2019, and included a corporate bond of SEK 600.0 m (600.0), lease liabilities (including IFRS 16) of SEK 77.4 m (31.2), vendor note (Bellmans) of SEK 18.6 m (37.7) and a conditional purchase price for the acquisition of Samgräv at a fair value of SEK 12.4 m (88.8) partly reduced by cash and cash equivalents of SEK 101.8 m (82.1).

Financial position and financing

At the end of the period, the Group had cash and cash equivalents of SEK 101.8 m compared to SEK 82.1 m as of March 31, 2019. Including an undrawn overdraft facility, available cash and cash equivalents totaled SEK 145.8 m (120.1).

The Parent Company has issued corporate bonds, which are listed on Nasdaq Stockholm. These bonds are listed as Bellman Group 1 with 600 units. The total outstanding nominal amount is SEK 600.0 m (600.0) and the nominal value per unit is SEK 1.0 m. The interest rate of the bonds is the variable 3-month STIBOR plus 6.50%. The interest is payable quarterly in arrears. The bonds mature in June 2022. The terms and conditions of the bonds include an early redemption option. The option is accounted for as a derivative at an amount of SEK 2.7 m (2.7) and is classified as a financial asset at fair value through profit or loss. The terms and conditions of the bonds include a quarterly maintenance test, which is deemed to be satisfied provided the ratio of net interest-bearing debt to EBITDA is less than 4.25. The terms and conditions of the bonds are available on Bellman Group's website, www.bellmangroup.se.

¹⁾ To illustrate the development of the Bellman Group, pro forma figures January – March 2019 and 2020 are reported. Figures for Samgräv and SÅCAB are included as if the acquisitions of the subsidiaries had taken place on 1 January 2019.

Segment overview

Bellman Group AB was founded in April 2017. Uppländska and Bellmans were acquired in July 2017, VSM was acquired in July 2018, Samgräv was acquired in January 2019 and SÅCAB was acquired in March 2020. To illustrate the development of the Bellman Group, pro forma figures January – March 2019 and 2020 are used in this section. Samgräv and SÅCAB are included as if the acquisitions of the subsidiaries had taken place on 1 January 2019.

VSM

VSM Entreprenad is a machine contracting company mainly operating in Sweden. Customers are construction companies that need different types of excavation services that require machines that are too large to drive on public roads. The work can involve uncovering rock, unloading tunnels, or crushing and excavating rock masses. The company is mainly engaged in infrastructure projects such as roads, railways or airfields. VSM is certified for ISO 9001, 14001 and 45001. The company employs over 350 machines, of which about 50% belong to subcontractors.

First quarter net sales 2020 decreased by -10.9% to SEK 168.6 m (189.1). The decline in sales was mainly due to fewer active projects compared to the same period last year, which was a record year for VSM. The main ongoing projects are Västlänken Göteborg, Microsoft Salbohed, Nya Skurubron bridge, Förbifart Stockholm bypass and Täby Arninge interchange, which contributed to about half of total net sales.

First quarter EBITDA before items affecting comparability decreased by -1.2% to SEK 26.4 m (26.8). The decrease was mainly due to lower net sales, maintained gross margin and lower operating expenses.

Net sales during the first quarter 2020 (compared to full year 2019) were distributed between the Stockholm region 63% (60%), the Gothenburg region 17% (12%) and the rest of Sweden 20% (28%). Order intake was SEK 147 m (125) and the order backlog was SEK 732 m (599) as of 31 March 2020. Active customer projects during first quarter amounted to approximately 70, compared to approximately 90 projects during the full year 2019.

Bellmans

Bellmans Åkeri carries out rock and earth excavation on behalf of customers, delivering gravel and crushing material, and renting trucks and construction machinery with drivers. Bellmans is certified for ISO 9001 and 14001. The company employs about 500 different types of vehicles daily, of which around 10% are own vehicles and the rest are owned by subcontractors.

First quarter net sales decreased by -25.1% to SEK 126.7 m (169.1) mainly due to high sales in two extraordinary projects in the first quarter of 2019.

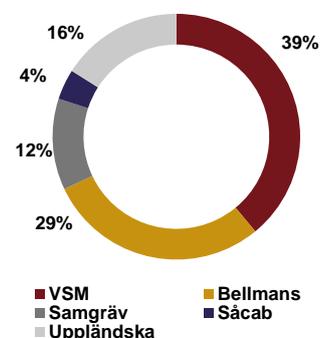
First quarter EBITDA before items affecting comparability decreased by -19.7% to SEK 6.8 m (8.5). The lower result was due to the decrease in net sales, partly offset by an improved gross profit margin due to a profitable customer mix.

Operations are concentrated to the Stockholm region and the majority of the sales were related to infrastructure projects. Bellmans' handled approximately 11,000 customer orders during the first quarter 2020 compared to approximately 56,000 customer orders during the full year 2019.

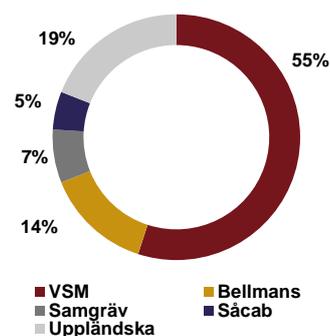
Uppländska

Uppländska Berg mainly performs rock blasting, rock drilling and wire sawing. The company employs just over 70 machines, of which about 20 belong to subcontractors, and performs work throughout Sweden. About a third of sales relate to infrastructure. Uppländska Berg is certified according to ISO 14001, 9001 and 45001.

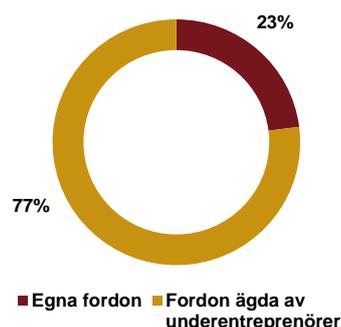
YTD Sales by segment



YTD EBITDA before items affecting comparability by segment



YTD share of subcontractors (vehicles)



First quarter net sales increased by 15.6% to SEK 69.3 m (60.0). The quarterly growth was mainly attributable to wind farms and larger infrastructure projects.

First quarter EBITDA before items affecting comparability increased by 15.0% to SEK 9.4 m (8.1). The improved earnings were due to the favorable net sales, partly offset by lower gross profit margin driven by an unfavorable project mix.

Net sales during the first quarter 2020 (compared to full year 2019) were distributed between the Stockholm region 57% (66%), the Gothenburg region 1% (2%) and the rest of Sweden 42% (32%). Order intake was SEK 13 m (38) and the order backlog was SEK 111 m (103) as of 31 March 2020. Active customer projects during the first quarter of 2020 amounted to just over 150 compared to 300 for the full year of 2019.

Samgräv

Samgräv supplies large projects in the Gothenburg region, such as Västlänken rail link, with products and services in mass and materials handling. The company also operates its own inert landfills, recycling facilities and quarries and conveys transport and machinery services. The company does not own any machines but employs approx. 160 subcontractors. The company will be certified for ISO 9001, 14001 and 45001 in 2020.

First quarter net sales decreased by -31.9% to SEK 49.6 m (72.9). The quarterly decline was mainly due to lower volumes in the transport business, where a number of customer projects have been delayed and are expected to commence during the second quarter 2020. The earlier temporary stop in the Fäxhult landfill operation has also had a negative impact on the haulage business (the landfill is expected to be fully up and running during the second quarter of 2020).

First quarter EBITDA before items affecting comparability decreased by -69.8% to SEK 3.3 m (11.0). This was mainly related to the decline in net sales, while maintaining a gross margin in line with the first quarter of 2019.

Operations were concentrated to the Gothenburg region and over a third of sales were related to infrastructure projects. Samgräv handled approximately 5,000 customer orders during the first quarter of 2020 compared to approximately 20,000 during the full year 2019.

SÅCAB

SÅCAB is a company focused on haulage and machinery rental, but also operates its own landfill south of Stockholm. SÅCAB does not own any vehicles but employs approximately 100 subcontractors. SÅCAB is certified according to ISO 14001 and plans to start the certification process for ISO 9001 and 45001 during 2020.

First quarter net sales increased by 10.6% to SEK 46.2 m (41.8) for the first quarter. The quarterly increase was mainly due to several new customers in the haulage business.

First quarter EBITDA before items affecting comparability increased by 32.4% to SEK 9.4 m (7.1). This was mainly driven by increased net sales and an improved gross margin (favorable customer mix).

Net sales for the first quarter were attributable to the Stockholm region with over 60 percent of the sales related to infrastructure projects. SÅCAB handled approximately 2,800 customer orders during the first quarter of 2020 compared to approximately 15,000 customer orders during the full year of 2019.

Segment development

	Q1 2020 ¹⁾	Q1 2019 ¹⁾	Pro forma Q1 2020 ²⁾	Pro forma Q1 2019 ²⁾
Net Sales, SEK m				
Uppländska	69,3	60,0	69,3	60,0
Bellmans	126,7	169,1	126,7	169,1
VSM	168,6	189,1	168,6	189,1
Samgräv	49,6	48,6	49,6	72,9
SÅCAB	15,7	-	46,2	41,8
Elimination, inter-company sales	-42,2	-21,2	-42,2	-21,7
Total Net Sales	387,8	445,6	418,3	511,2
	Q1 2020 ¹⁾	Q1 2019 ¹⁾	Pro forma Q1 2020 ²⁾	Pro forma Q1 2019 ²⁾
EBITDA before items affecting comparability, SEK m				
Uppländska	9,4	8,1	9,4	8,1
Bellmans	6,8	8,5	6,8	8,5
VSM	26,4	26,8	26,4	26,8
Samgräv	3,3	6,6	3,3	11,0
SÅCAB	2,5	-	9,4	7,1
Other	0,1	-0,3	0,1	-0,3
Total EBITDA before items affecting comparability	48,5	49,8	55,5	61,3

¹⁾ The 2019 data includes Uppländska, Bellmans and VSM for the period January – March and Samgräv for the period February – March. The 2020 data includes Uppländska, Bellmans, VSM and Samgräv for the period January – March and SÅCAB for the period March.

²⁾ To illustrate the development of the Bellman Group, pro forma figures January – March 2019 and 2020 are reported. Figures for Samgräv and SÅCAB are included as if the acquisitions of the subsidiaries had taken place on 1 January 2019.

Market overview and outlook

The construction industry can be divided into housing, infrastructure, commercial and industrial real estate, and other. Investments in infrastructure projects and other facilities, such as investments in roads and rail traffic, are expected to continue to grow by approx. 4% annually according to market data from Byggföretagen (October 2019). The housing market is expected to slow down in the coming years, but this market represents a smaller part of Bellman Group's sales. The Group's net sales by market in the first quarter 2020 (compared to full year 2019) comprised of projects related to infrastructure 56% (57%), commercial and industrial real estate 16% (13%), housing 7% (11%) and other 21% (19%).

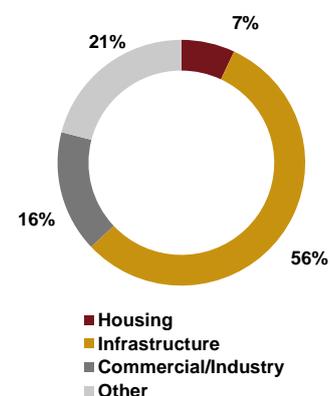
Geographically, more than half of the building and construction investments are made in and around the larger cities, of which Stockholm is dominant. Growth in Stockholm is found in infrastructure and industrial properties, while Gothenburg and Malmö are expected to show growth in all market segments. Bellman Group's first quarter sales in 2020 (compared to full year 2019) were distributed over the Stockholm region 69% (70%), the Gothenburg region 17% (17%) while the remaining 14% (13%) came from the rest of Sweden. Bellmans and SÅCAB are active in Stockholm County and Samgräv is active in Western Sweden, while Uppländska and VSM operates throughout Sweden.

Bellman Group is continuously working to develop and customize its operations within the various segments. This work is done both through industry organizations and in connection with customers. The future development of the Group's subsidiaries is deemed good. The assessment is supported by the fact that the Group is active in a well-structured market, that the customers demand the Group's service offering and that the services are of high utility. Long-term trends, such as urbanization, also work to the Group's advantage. Urbanization promotes the market in which the Group's largest customers are active, thereby increasing demand for the Group's services.

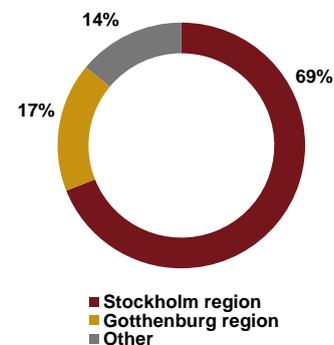
Impact of Covid-19

In early-2020, the world was impacted by a pandemic of the coronavirus Covid-19. Bellman Group's operations may be exposed to some of the effects of Covid-19. Most of the Group's sales relate to long-term infrastructure projects, which are expected to continue without major disruption in the short term.

Net sales by market, YTD



Net sales by region, YTD



Other information

Ownership and shares outstanding

At the end of the first quarter 2020, Bellman Group had 12 shareholders. The company has only one class of shares and each share holds one vote. The largest shareholder is Verdane Capital VIII with 35.8% of the shares.

Organization

On 31 March 2020, the Group had 378 (373) employees. Of these, 171 (182) were employed by VSM, 99 (94) employed by Uppländska, 75 (73) employed by Bellmans, 19 (21) employed by Samgräv, 8 (0) employed by SÅCAB and 6 (3) employed by the Parent Company. The increased number of employees in the Group is mainly attributable to the acquisition of SÅCAB.

Sustainability

Bellman Group's strategic sustainability work is focused on five key areas: attractive employer, work environment, good business ethics, long-term profitability, and reduced climate impact.

Being an attractive employer with healthy workplaces where the employees are happy and given possibilities to develop is important. A good work environment makes it possible to attract and retain competent and knowledgeable employees, which is crucial for Bellman Group's success. The company is convinced that an inclusive corporate culture characterized by diversity benefits everyone. Discrimination, nor harassment, is allowed in any form. A good corporate culture also makes for wellbeing, good relationships, low staff turnover and low sick leave. The physical safety of personnel is a top priority and Bellman Group has a zero vision when it comes to accidents.

The Group's success is also dependent on the employees' ability to build strong and long-term relationships with customers and suppliers. Therefore, it is important that all employees have a clear understanding of the Group's common goals and ethical principles, which are found in the Code of Conduct and the Group's policies. Long-term profitability also affects the Group's ability to maintain a modern fleet of machinery and vehicles.

Bellman Group's business includes blasting, machine contracting and haulage, all of which can have a significant environmental impact. The environmental impact is primarily related to climate emissions as a result of combustion of fossil fuels, but also impact on the environment in the form of noise and dust. Reducing the Group's direct and indirect environmental impact is a priority.

Bellman Group's Board of Directors has adopted a number of sustainability goals for the business and a system has been implemented that enables follow-up of these goals as of 2020.

Risks and undertakings

A presentation of significant risks and uncertainties can be found in the Group's Annual Report for 2019. The Annual Report is available on the website of Bellman Group, www.bellmangroup.se. There has been no material change in significant risks and uncertainties since the Annual Report was published.

Significant events during the period

Bellman Group acquired SÅCAB Åkericentral AB and indirectly its subsidiaries on March 6, 2020. The purchase price was SEK 77 m in cash. SÅCAB is a company focused on haulage and machinery rental, but also operates its own landfill in the Stockholm area.



SÅCAB was acquired on 6 March 2020.

In early-2020, the world was impacted by a pandemic. The outbreak of Covid-19 has not had any significant impact on the Group's operations during the quarter, but the Group anticipates that the pandemic could cause delays or cancellation of projects.

Significant events after the end of the period

The AGM in Bellman Group took place on 19 May 2020. The AGM re-elected the board members Björn Andersson, Charlotte Hybinette, Anne-Lie Lind, Håkan Lind, Per Nordlander and Ingalill Östman. The Board appointed Björn Andersson Chairman of the Board. In addition, the AGM resolved to re-elect PricewaterhouseCoopers and the responsible auditor will be Nicklas Kullberg also going forward. The AGM resolved according to the proposed appropriation of profits which means there will be no dividend for the financial year 2019.

There have been no additional significant events after the period.

Audit

This report has not been subject to review by the Group's auditors.

Assurance

The Board of Directors and CEO hereby confirm that this interim report for January – March equal to the first quarter 2020 provides a true and fair overview of the performance of the Parent Company's and the Group's operations, financial position and earnings, and that it describes the significant risks and uncertainties to which the Parent Company and the companies included in the Group are exposed.

Stockholm, 20 May 2020

Björn Andersson
Chairman of the board

Charlotte Hybinette
Member of the board

Anne-Lie Lind
Member of the board

Håkan Lind
CEO and Member of the board

Per Nordlander
Member of the board

Ingalill Östman
Member of the board

Financial calendar

Interim report January – June 2020	2020-08-28
Interim report January – September 2020	2020-11-20
Year-end report 2020	2021-02-19

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Group condensed and consolidated statement of comprehensive income

SEK m	Note	Q1 2020 ¹⁾	Q1 2019 ¹⁾
Net Sales		387,8	445,6
Other operating income		1,6	1,3
Total revenue		389,3	446,9
Operating expenses			
Raw materials and consumables		-266,6	-320,5
Other external expenses		-13,7	-16,9
Personnel expenses		-63,5	-62,1
Total depreciation, amortization and impairment		-23,2	-19,1
Profit/loss from shares in associated companies		-0,2	0,5
Total operating expenses		-367,2	-418,1
Operating profit (EBIT)		22,1	28,8
Net financial items	4	-11,8	-10,8
Profit after net financial items		10,3	18,1
Income tax		-2,0	-3,7
Net profit for the period		8,3	14,4
Profit attributable to:			
- equity holders of the parent		7,8	14,0
- non-controlling interests		0,5	0,4
Earnings per share (SEK), basic and diluted		3,7	7,0
Average number of shares, thousands		2 087,0	2 006,3
Statement of other comprehensive income			
Net profit for the period		8,3	14,4
Exchange differences on translation of foreign operations		-0,1	0,0
Total comprehensive income for the period		8,1	14,4
Total comprehensive income for the period is attributable to:			
- Parent Company shareholders		7,6	14,0
- Minority interests income		0,5	0,4

- 1) The cash flow statement for 2019 refers to Uppländska, Bellmans, VSM and the Parent Company for the period January – March and to Samgräv for the period February – March. The cash flow statement for 2020 refers to Uppländska, Bellmans, VSM, Samgräv and the Parent Company for the period January – March and to SÄCAB for the period of March.

Group condensed consolidated balance sheet

SEK m	Note	End Q1 2020 ¹⁾	End Q1 2019 ¹⁾	End Year 2019 ¹⁾
Assets				
Intangible assets	6	484,4	505,8	456,3
Tangible assets		452,3	416,6	438,5
Non-current financial assets		15,7	18,1	12,1
Total non-current assets		952,4	940,6	906,9
Inventories		10,8	7,2	7,8
Current receivables		341,2	354,5	295,4
Cash and cash equivalents		101,8	82,1	153,4
Total current assets		453,8	443,8	456,6
TOTAL ASSETS		1 406,2	1 384,4	1 363,5
Equity and liabilities				
Parent shareholders' equity		373,8	303,5	366,0
Non-controlling interests		6,6	6,1	6,2
Non-current liabilities	8	709,8	751,1	703,6
Current liabilities	8	316,0	323,7	287,7
TOTAL EQUITY AND LIABILITIES		1 406,2	1 384,4	1 363,5

¹⁾ The statement of financial position for End of Q1 and End Year 2019 refers to Uppländska, Bellmans, VSM, Samgräv and the Parent Company. The statement of financial position for End of Q1 2020 refers to all segments (including SÅCAB).

Group condensed consolidated statement of changes in equity

SEK m	Attributable to shareholders of Bellman Group AB					
	Share capital	Other paid-up capital	Retained Earnings	Equity	Non-controlling interests	Total Equity
Opening balance, 1 January 2019	1,9	191,5	52,2	245,6	5,6	521,5
Net profit/loss for the period	0,0	0,0	14,0	14,0	0,4	14,4
Total comprehensive income	0,0	0,0	14,0	14,0	0,4	14,4
Issue of new shares	0,2	43,8	0,0	44,0	0,0	44,0
Transactions with shareholders in role as owners	0,2	43,8	0,0	44,0	0,0	44,0
Closing balance, 31 March 2019	2,1	235,3	66,2	303,6	6,0	309,6
Opening balance, 1 January 2020	2,1	235,3	128,6	366,0	6,2	372,2
Net profit/loss for the period	0,0	0,0	7,8	7,8	0,5	8,3
Other comprehensive income for the period	0,0	0,0	0,0	0,0	-0,1	-0,1
Total comprehensive income	0,0	0,0	7,8	7,8	0,4	8,2
Transactions with shareholders in their roles as owners	0,0	0,0	0,0	0,0	0,0	0,0
Closing balance, 31 March 2020	2,1	235,3	136,4	373,8	6,6	380,4

Group condensed consolidated statement of cash flows

SEK m	Note	Q1 2020 ¹⁾	Q1 2019 ¹⁾
Cash flow from operating activities			
Operating profit		22,1	28,8
<u>Adjustment for non-cash items:</u>			
Depreciation and amortization		23,2	19,1
Other & non-cash items		1,6	1,1
Interest paid		-10,3	-9,4
Dividends from associated companies		0,0	0,0
Income taxes paid / received		-3,0	-11,4
Cash flow from operating activities before changes in working capital			
Changes in working capital		33,6	28,3
Changes in working capital		-20,2	-14,5
Cash flow from operating activities			
		13,4	13,8
Cash flow from investing activities			
Acquisition of subsidiaries, net of acquired cash and cash equivalents	6	-41,4	-94,2
Investments in tangible assets		-15,0	-10,6
Sale of tangible assets		1,7	0,9
Cash flow from investing activities			
		-54,7	-103,9
Cash flow from financing activities			
Repayment of lease liability		-6,8	-2,4
Loans raised	6, 8	0,0	95,9
Repayment of loans		-3,1	-15,9
Cash flow from financing activities			
		-9,9	77,6
Cash flow for the period			
		-51,3	-12,4
Cash and cash equivalents at the beginning of the period		153,4	94,5
Foreign exchange difference		-0,3	0,0
Cash and cash equivalents at the end of the period			
		101,8	82,1

¹⁾ The cash flow statement for 2019 refers to Uppländska, Bellmans, VSM and the Parent Company for the period January - March and to Samgräv for the period February - March. The cash flow statement for 2020 refers to Uppländska, Bellmans, VSM, Samgräv and the Parent Company for the period January - March and to SÅCAB for the period of March.

Parent Company - Condensed consolidated income statement and comprehensive income

SEK m	Note	Q1 2020	Q1 2019
Total revenue		4,7	3,1
Total operating expenses		-7,2	-5,2
Operating loss (EBIT)		-2,5	-2,0
Net financial items	4	-9,2	-8,5
Loss after net financial items		-11,7	-10,5
Income tax		2,5	2,2
Net profit and comprehensive income for the period		-9,2	-8,3

Parent Company - Condensed consolidated balance sheet

SEK m	Note	End Q1 2020	End Q1 2019	End Year 2019
Assets				
Intangible assets		2,0	0,0	2,0
Tangible assets		1,3	0,4	0,9
Non-current financial assets		1 146,1	1 096,9	1 058,3
Total non-current assets		1 149,4	1 097,3	1 061,3
Current receivables		5,4	1,7	7,5
Cash and cash equivalents		74,7	60,1	144,4
Total current assets		80,1	61,8	151,9
TOTAL ASSETS		1 229,5	1 159,1	1 213,1
Equity and liabilities				
Parent shareholders' equity		326,8	325,7	336,0
Non-current liabilities		875,8	808,7	848,5
Current liabilities		26,8	24,6	28,6
TOTAL EQUITY AND LIABILITIES		1 229,5	1 159,1	1 213,1

Notes to the financial statements

1 Summary of significant accounting policies

The significant accounting policies applied in preparing these consolidated financial statements are described below. Unless otherwise stated, these policies have been applied consistently for all the periods presented. All amounts presented are in millions of Swedish kronor (SEK m) unless stated otherwise.

The carrying amount of the Group's long-term and short-term financial instruments valued at amortized cost corresponds essentially to its fair value, since the interest rate is at par with current market rates.

1.1 Basis of preparation of financial statements

The consolidated financial statements for the Bellman Group have been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board, the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC), as adopted by the EU. This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and the Swedish Annual Accounts Act.

The parent company applies the Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. The accounting principles and calculation methods applied in the interim report are consistent with those described in the 2019 annual report. For further information regarding the Group's applied accounting principles, see the Group's annual report for 2019.

2 Significant estimates and judgments regarding the accounting

Estimates and judgments are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations regarding future events, which are seen to be reasonable under the circumstances at hand. Significant estimates and judgments made in the Group relate to impairment of goodwill. For more information, see note 15 in the Annual Report 2019.

3 Segment information

Description of segments and principal business activities

The Bellman Group's senior management team comprises of the Group CEO, Group CFO, Group IR/Communication and the chief executives of the subsidiaries. This group constitutes the chief operating decision maker in the Bellman Group and evaluates the Group's financial position and results, as well as makes strategic decisions. Management has defined the operating segments based on the information discussed by the senior management team, and this information is used as a basis for decisions regarding the allocation of resources and evaluation of results. Senior management monitors the operations based on the five operating segments Bellmans, Uppländska, VSM, Samgräv and SÅCAB. The parent company and the Group numbers are shown in the Other segment. Group management primarily applies EBITDA before items affecting comparability in monitoring the Group's results.

Bellmans

Bellmans Åkeri & Entreprenad AB was acquired on 1 July 2017 and is a haulage company founded in 1972. The business is geographically concentrated to the greater Stockholm region and the surrounding area. Bellmans' head office is in Saltsjö-Boo, Stockholm.

Uppländska

Uppländska Bergborrnings AB was acquired on 1 July 2017 and was founded in 1972. The business focus is on rock blasting, rock drilling, wire sawing and rock splitting. The operations are concentrated geographically to the greater Stockholm area, southwestern and western Sweden and to southern Norrland. The head office for Uppländska is in Norrtälje.

VSM

VSM Entreprenad AB, with its subsidiaries VSM AS, Munthers Specialtransporter AB and VSM Rental AB, was acquired on 17 July 2018 and was founded in 1972. VSM is a contracting machine company with operations that mainly include rock and gravel handling at stationary and mobile crushing plants, contracts within road, tunnel, construction, and project development, as well as leasing of machines and drivers. VSM operates throughout Sweden. The head office for VSM is in Kallhäll, Stockholm.

Samgräv

Samgräv Holding AB, with its subsidiaries Samkross i Härryda AB, Samgräv Maskinförmedling AB, Samgräv Recycling AB and Samkross i Uddevalla AB, was acquired on 31 January 2019. This company was founded in 2010 and is a machinery brokerage

company that is primarily active in transport services, but also has its own landfills and crushing operations. The business is concentrated geographically to Western Sweden and the Gothenburg region. The head office for Samgräv is in Kungälv.

SÅCAB

SÅCAB Åkericentral AB, with its subsidiaries SÅCAB Förvaltning AB and SÅCAB Miljö AB, was acquired on 6 mars 2020. This company was founded in 1977 and is a company focused on haulage and machinery rental, but also operates its own landfill. The business is geographically concentrated to the greater Stockholm region and the surrounding area. SÅCAB's head office is in Skogås.

Other (Parent company & Group)

Bellman Group AB (publ) is the Group's Parent Company and was formed on 10 April 2017 with its registered office in Solna, Sweden. The Parent Company contains Group management and certain central functions. The Parent Company owns 100% of the shares in Bellmans Åkeri & Entreprenad AB, Uppländska Bergborrnings AB, VSM Entreprenad AB, Samgräv Holding AB and SÅCAB Åkericentral AB.

Sales between segments are made on market terms. Revenue for the segments arising from external customers as reported to senior management is measured in the same manner as in the consolidated income statement.

Summarized financial segment information

	Q1 2020 ¹⁾	Q1 2019 ¹⁾	Pro forma Q1 2020 ²⁾	Pro forma Q1 2019 ²⁾
Net Sales, SEK m				
Uppländska	69,3	60,0	69,3	60,0
Bellmans	126,7	169,1	126,7	169,1
VSM	168,6	189,1	168,6	189,1
Samgräv	49,6	48,6	49,6	72,9
SÅCAB	15,7	0,0	46,2	41,8
Elimination, inter-company sales	-42,2	-21,2	-42,2	-21,7
Total net sales	387,8	445,6	418,3	511,2
	Q1 2020 ¹⁾	Q1 2019 ¹⁾	Pro forma Q1 2020 ²⁾	Pro forma Q1 2019 ²⁾
EBITDA before items affecting comparability, SEK m				
Uppländska	9,4	8,1	9,4	8,1
Bellmans	6,8	8,5	6,8	8,5
VSM	26,4	26,8	26,4	26,8
Samgräv	3,3	6,6	3,3	11,0
SÅCAB	2,5	0,0	9,4	7,1
Other	0,1	-0,3	0,1	-0,3
Total EBITDA before items affecting comparability	48,5	49,8	55,5	61,3
	Q1 2020 ¹⁾	Q1 2019 ¹⁾	Pro forma Q1 2020 ²⁾	Pro forma Q1 2019 ²⁾
Operating profit (EBIT), SEK m				
Uppländska	5,0	4,7	5,0	4,7
Bellmans	3,3	5,6	3,3	5,6
VSM	13,6	15,4	13,6	15,4
Samgräv	1,9	5,9	1,9	10,0
SÅCAB	1,5	0,0	8,1	6,8
Other	-3,3	-2,7	-3,3	-2,7
Total operating profit (EBIT)	22,1	28,9	28,7	39,8
	Q1 2020 ¹⁾	Q1 2019 ¹⁾	Pro forma Q1 2020 ²⁾	Pro forma Q1 2019 ²⁾
Depreciation and amortization, SEK m				
Uppländska	-4,4	-3,5	-4,4	-3,5
Bellmans	-3,6	-2,9	-3,6	-2,9
VSM	-12,8	-11,4	-12,8	-11,4
Samgräv	-1,4	-0,7	-1,4	-1,0
SÅCAB	-0,2	0,0	-0,5	-0,3
Other	-0,9	-0,7	-0,9	-0,7
Total depreciation and amortization	-23,2	-19,1	-23,5	-19,8

SEK m	Q1 2020 ¹⁾	Q1 2019 ¹⁾	Pro forma Q1 2020 ²⁾	Pro forma Q1 2019 ²⁾
EBITDA before items affecting comparability	48,5	49,8	55,5	61,3
Items affecting comparability ³⁾	-3,2	-1,7	-3,2	-1,7
Depreciation, amortization and impairment	-23,2	-19,1	-23,5	-19,8
Financial items and untaxed reserves	-11,8	-10,8	-11,8	-10,9
Profit before tax	10,3	18,1	16,9	28,9
Working capital excl. Taxes, SEK m	Q1 2020 ¹⁾	Q1 2019 ¹⁾	Pro forma Q1 2020 ²⁾	Pro forma Q1 2019 ²⁾
Uppländska	32,5	27,5	32,5	27,5
Bellmans	-9,1	-11,9	-9,1	-11,9
VSM	43,8	59,5	43,8	59,5
Samgräv	-2,1	0,4	-2,1	0,4
SÅCAB	10,3	0,0	10,3	10,3
Other	-2,9	-3,6	-2,9	-3,6
Total working capital excl. taxes	72,5	71,9	72,5	82,2

Geographical sales split	SEK m Stockholm region	SEK m Gothenburg region	SEK m Rest of Sweden	% split Stockholm region	% split Gothenburg region	% split Rest of Sweden
Q1 2020²⁾						
Uppländska	39,8	0,4	29,1	57,4%	0,6%	42,0%
Bellmans	126,7	0,0	0,0	100,0%	0,0%	0,0%
VSM	106,1	28,0	34,5	62,9%	16,6%	20,5%
Samgräv	0,0	49,6	0,0	0,0%	100,0%	0,0%
SÅCAB	46,2	0,0	0,0	100,0%	0,0%	0,0%
Total Group	318,8	78,0	63,6	69,2%	16,9%	13,8%
YEAR 2019²⁾						
Uppländska	172,4	5,0	82,7	66,3%	1,9%	31,8%
Bellmans	660,2	0,0	0,0	100,0%	0,0%	0,0%
VSM	433,2	87,1	196,9	60,4%	12,1%	27,5%
Samgräv	0,0	256,2	0,0	0,0%	100,0%	0,0%
SÅCAB	185,1	0,0	0,0	0,0%	100,0%	0,0%
Total Group	1 450,9	348,2	279,6	69,8%	16,8%	13,5%

Market sales split	SEK m Housing	SEK m Infrastructure	SEK m Commercial /Industry	SEK m Other	% split Housing	% split Infrastructure	% split Commercial /Industry	% split Other
Q1 2020²⁾								
Uppländska	3,4	31,3	25,4	9,2	0,6%	42,0%	0,6%	42,0%
Bellmans	11,8	79,5	13,8	21,6	0,0%	0,0%	0,0%	0,0%
VSM	0,0	101,5	24,4	42,7	16,6%	20,5%	16,6%	20,5%
Samgräv	8,7	18,4	8,7	13,8	100,0%	0,0%	100,0%	0,0%
SÅCAB	6,9	27,8	0,0	11,5	0,0%	0,0%	0,0%	0,0%
Total Group	30,8	258,5	72,3	98,8	71,5%	20,0%	27,3%	0,2%
YEAR 2019²⁾								
Uppländska	172,4	5,0	82,7	5,0	1,9%	31,8%	1,9%	31,8%
Bellmans	660,2	0,0	0,0	0,0	0,0%	0,0%	0,0%	0,0%
VSM	433,2	87,1	196,9	87,1	12,1%	27,5%	12,1%	27,5%
Samgräv	0,0	256,2	0,0	256,2	100,0%	0,0%	100,0%	0,0%
SÅCAB	185,1	0,0	0,0	0,0	100,0%	0,0%	100,0%	0,0%
Total Group	1 450,9	348,2	279,6	348,2	16,8%	13,5%	16,8%	0,0%

¹⁾ The 2019 data includes Uppländska, Bellmans and VSM for the period January – March and Samgräv for the period February – March. The 2020 data includes Uppländska, Bellmans, VSM and Samgräv for the period January – March and SÅCAB for the period March.

²⁾ To illustrate the development of the Bellman Group, pro forma figures January – March 2019 and 2020 are reported. Figures for Samgräv and SÅCAB are included as if the acquisitions of the subsidiaries had taken place on 1 January 2019.

³⁾ YTD 2019 Items affecting comparability were all booked in the Other segment and comprised of provision expenses SEK -11.6 m, acquisition expenses SEK -2.7 m and internal restructuring in order to simplifying the Group's legal structure SEK -0.5 m.

4 Financial assets at fair value through profit or loss

The Group's financial assets, measured at fair value through profit or loss, comprise a prepayment option included in the bond loan, which is reported as a derivative. The Group has classified this financial instrument at Level 3 in the fair value hierarchy. The fair value of the derivative has been determined based on present value, and the applied discount rate has been adjusted

for own credit risk. Unobservable inputs refer to the risk-adjusted discount rate and expected cash flows. At 31 March 2020 (compared to 31 March 2019) the fair value was SEK 2.7 m (2.7).

The Samgräv acquisition included a conditional purchase price which was SEK 12.4 m (12.3) at 31 March 2020. The adjustment vs. last quarter was entirely due to an update of fair value that has been taken over the income statement. The conditional purchase price is based on EBITDA for the period 2019-2022 and is classified at level 3 in the fair value hierarchy. No transfers have been made between the levels during the period.

5 Transactions with related parties

No transactions between the Bellman Group and related parties significantly impacted the Group's financial position or results during the period. For more information, see note 28 in the 2019 Annual Report.

6 Business combination

On 6 March 2020, the Group acquired all shares in SÅCAB Åkericentral AB including subsidiaries.

The total purchase price was SEK 77.0 m, and the acquisition was financed through own cash.

Reported net asset value in SÅCAB at the date of the acquisition was SEK 48.3 m, with intangible assets amounting to SEK 28.7 m, of which SEK 28.2 m was goodwill. Goodwill is attributable to synergies and other immaterial assets that do not apply to the criteria of separate accounting.

Purchase price, SEK m	
Cash paid	77,0
Total purchase consideration	77,0
Fair value net assets	
Cash and bank	35,6
Trade receivables	26,6
Buildings and land	5,6
Plant and equipment	4,7
Financial assets	1,0
Inventories	2,5
Other current receivables	0,7
Trade payables	-15,6
Deferred tax liabilities	-4,6
Other non-current liabilities	-2,1
Other current liabilities	-6,2
Asset value Samgräv	48,3
Intangible assets	28,7
Net assets acquired	77,0

Acquired assets: The fair value of acquired trade receivables was SEK 26.6 m which was equal to the gross amount.

The acquired business added revenues of SEK 15.7 m and net profit (EBIT) of SEK 1.5 m for the period of March 2020. If the acquisition had taken place on 1 January 2020, pro forma consolidated revenue, and earnings for period to 31 March 2020 would have been SEK 46.2 m and SEK 8.1 m, respectively. These amounts have been calculated based on the subsidiary's earnings after adjustments for differences in accounting policies between the Group and its subsidiary along with the related tax effects.

Cash Flow effect, SEK m	SEK m
Paid to seller (SÅCAB)	-77,0
Cash acquired business (SÅCAB)	35,6
Net effect on cashflow at acquisition	-41,4

Acquisition-related costs of SEK 3.5 have been taken during 2019/2020. SEK 1.9 m of these are included in other external expenses in the income statement and in operating activities in the statement of cash flows.

7 Pledged assets

There have been no significant changes in pledged assets.

8 Interest bearing liabilities

During the first quarter 2019, the Parent Company increased the value on the issued corporate bonds that are listed on Nasdaq Stockholm, with a nominal amount of SEK 100.0 m. These bonds are listed as BELLMAN GROUP AB 01 with 600 units (600 units), with a total outstanding nominal amount of SEK 600.0 m (600.0) and has a nominal value of SEK 1.0 m (1.0) per unit. Financing expenses of SEK 13.0 m compared to SEK 13.3 m as of December 31, 2019, attributable to the bond loan have been reported against the loan.

The bond interest rate is variable interest three months STIBOR plus 6.50%, which is paid quarterly in arrears. The bond matures in June 2022. The Parent Company has provided shares in subsidiaries as collateral for the bond loan. The terms of the bond include an option that entitles the holder to an early repayment of the loan. This option is reported as a derivative and is classified as a financial asset that is measured at fair value through profit or loss. The terms of the corporate bond loan are available on Bellman Group's website, www.bellmangroup.se.

The vendor loan, which is delayed consideration related to the acquisition of Bellmans Åkeri, amounts to a total of SEK 18.6 m compared to SEK 37.7 m as of December 31, 2019, of which SEK 17.0 m (17.0) is a current liability and SEK 1.6 m (1.6) is a non-current liability. The vendor loan runs without interest and is unsecured. The terms of the loan stipulate that instalment payments started in 2018 and the loan must be fully repaid by 2022.

The Group has certain tangible fixed assets and premises as well as some land use rights that are regulated by leasing agreements. As of March 31, 2020, the Group's leasing liabilities (non-current assets and rents) amounted to SEK 77.4 m compared to SEK 73.0 as of December 31, 2019, of which SEK 53.1 m (50.8) were non-current liabilities and SEK 24.3 m (22.2) were current liabilities.

Covenants

Under the terms and conditions of the bonds, certain covenants must be met each time the Group enters a new business combination. All covenants were met in connection with the acquisition of SÅCAB.

9 Shares and earnings per share

	Q1	Q1
Number of shares	2020 ¹⁾	2019 ¹⁾
Total number of shares, thousands	2 087,0	2 087,0
Total number of weighted average shares, before and after dilution, thousands	2 087,0	2 006,3
Earnings per share (SEK), basic and diluted	3,7	7,0

¹⁾ The 2019 data includes Uppländska, Bellmans and VSM for the period January – March and Samgräv for the period February – March. The 2020 data includes Uppländska, Bellmans, VSM and Samgräv for the period January – March and SÅCAB for the period March.

In February 2019, the parent company issued 142,349 shares which increased the share capital to SEK 2.1 m (total amount paid incl. share premium SEK 44 m).

Definitions

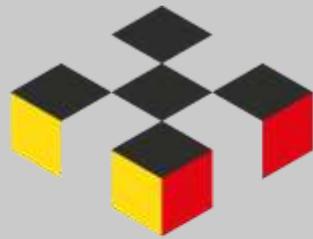
Below are descriptions of key ratios and descriptions of non-IFRS performance measures. A reconciliation of alternative performance measures (APMs) is shown in a separate document, which is published together with this interim report, www.bellmangroup.se.

The APMs that have not been calculated according to IFRS and which are presented in this report do not constitute recognized valuation principles for financial position or liquidity according to IFRS, but are used by the Bellman Group to monitor the financial outcome of the Group's operations and the Group's financial position. The APMs presented in the report shall always be viewed together with the information presented in the income statement, balance sheet, cash flow statement and key ratios, which have been prepared in accordance with IFRS.

The Bellman Group reports these APMs since they consider them to be important complementary measures of profitability and financial position, and that these measures are often used by external stakeholders in order to assess and compare business economic outcomes and financial position. When comparing the APMs presented here, the calculation for other companies may have been made with different definitions, which means that the outcome is not directly comparable.

In this report, comparable figures are provided in parentheses and refer to the same item in the corresponding period last year, unless otherwise stated.

APM	Description
EBITDA	EBITDA, operating profit before financial items, tax and depreciation/amortization and impairment. EBITDA is an APM the group considers relevant for investors who want to understand the earnings trend before investments in non-current assets.
EBITDA margin	EBITDA as a percentage of net sales during the period. The EBITDA margin is used to show EBITDA as a percentage of net sales.
EBITDA before items affecting comparability	EBITDA before items affecting comparability. EBITDA adjusted for items affecting comparability is used to give a clearer picture of the operating profit and to increase comparability over time.
EBITDA margin before items affecting comparability	EBITDA before items affecting comparability as a percentage of net sales during the period. The margin is used to show EBITDA before items affecting comparability as a percentage of net sales.
Items affecting comparability	Items that rarely occur or are unusual in day-to-day business operations, such as start-up costs, restructuring costs and acquisition costs. Items affecting comparability are used to give a clearer picture of the earnings trend and to increase comparability over time.
Interest-bearing net debt	Interest-bearing liabilities less cash and cash equivalents. This APM shows the group's total interest-bearing net debt for covenant purposes.
Interest-bearing net debt in relation to EBITDA before items affecting comparability including pro forma figures	Interest-bearing net debt in relation to EBITDA before items affecting comparability including pro forma figures. The bond terms include a quarterly maintenance covenant that is considered fulfilled if interest-bearing net debt in relation to EBITDA is less than 4.25. The EBITDA is calculated based on latest 12 months pro forma EBITDA figures.
Operating profit (EBIT)	Operating profit (EBIT). Total revenue less total operating expenses. EBIT is an APM the group considers relevant for investors who want to understand the earnings trend before interest and tax.
Operating margin	Operating profit as a percentage of net sales during the period. The operating margin shows the proportion of net sales that remain after operating expenses.
Net debt	Interest-bearing liabilities plus contingent consideration related to Bellmans and Samgräv, less cash and cash equivalents.
Working capital	Working capital is calculated as current receivables (inventories, trade receivables and other non-interest-bearing current receivables) less current liabilities (trade payables and other non-interest-bearing current liabilities). This measure shows how much working capital is tied up in the business operations and can be set in relation to the sales to understand how efficiently the tied up working capital is used.



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