

Interim report  
January – June 2020

Q2



# Positive development in the quarter

## Second quarter, April – June 2020

- Net Sales amounted to SEK 454.5 m (440.8), an increase of 3.1%.
- EBITDA before items affecting comparability amounted to SEK 60.7 m (57.0), an increase of 6.4%. The EBITDA margin before items affecting comparability amounted to 13.4% (12.9%).
- EBITDA amounted to SEK 56.6 m (53.1), an increase of 6.6%. The EBITDA margin amounted to 12.5% (12.0%).
- Operating profit (EBIT) amounted to SEK 32.7 m (32.0), an increase of 2.0%. The operating margin amounted to 7.2% (7.3%).
- Net profit for the quarter amounted to SEK 15.7 m (15.4), an increase of 2.1%.
- Earnings per share, basic and diluted, equaled SEK 7.2 (7.2).
- Cash flow from operating activities amounted to SEK 37.0 m (52.1).
- The Group has seen a delay in some projects and price pressure in certain segments, which is presumably due to Covid-19. This has not had any significant impact on the Group's operations or liquidity during the quarter.

## Period, January – June 2020

- Net Sales amounted to SEK 842.3 m (886.4), a decrease of -5.0%.
- EBITDA before items affecting comparability amounted to SEK 109.2 m (106.8), an increase of 2.3%. The EBITDA margin before items affecting comparability amounted to 13.0% (12.0%).
- EBITDA amounted to SEK 101.9 m (101.1), an increase of 0.8%. The EBITDA margin amounted to 12.1% (11.4%).
- Operating profit (EBIT) amounted to SEK 54.8 m (60.9), a decrease of 10.1%. The operating margin amounted to 6.5% (6.9%).
- Net profit for the period amounted to SEK 24.0 m (29.8), a decrease of 19.4%.
- Earnings per share, basic and diluted, equaled SEK 10.9 (14.2).
- Cash flow from operating activities amounted to SEK 50.1 m (66.0).
- On March 6, 2020, SÅCAB Åkericentral AB was acquired. The purchase price amounted to SEK 77 m and the acquisition was financed through own funds.

## Financial overview

|   | Q2                 | Q2                 | YTD                | YTD                | Pro forma          | Pro forma          |
|---|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| SEK m (unless stated otherwise)                       | 2020 <sup>1)</sup> | 2019 <sup>1)</sup> | 2020 <sup>1)</sup> | 2019 <sup>1)</sup> | YTD                | YTD                |
|   |                    |                    |                    |                    | 2020 <sup>2)</sup> | 2019 <sup>2)</sup> |
| Net Sales   | 454.5              | 440.8              | 842.3              | 886.4              | 872.8              | 990.3              |
| EBITDA before items affecting comparability           | 60.7               | 57.0               | 109.2              | 106.8              | 116.1              | 121.4              |
| EBITDA before items affecting comparability margin, % | 13.4%              | 12.9%              | 13.0%              | 12.0%              | 13.3%              | 12.3%              |
| EBITDA  | 56.6               | 53.1               | 101.9              | 101.1              | 108.8              | 115.8              |
| EBITDA margin, %                                      | 12.5%              | 12.0%              | 12.1%              | 11.4%              | 12.5%              | 11.7%              |
| Operating profit (EBIT)                               | 32.7               | 32.0               | 54.8               | 60.9               | 61.4               | 74.6               |
| Operating margin, %                                   | 7.2%               | 7.3%               | 6.5%               | 6.9%               | 7.0%               | 7.5%               |
| Net profit  | 15.7               | 15.4               | 24.0               | 29.8               | 27.8               | 40.0               |
| Earnings per share (SEK), basic and diluted           | 7.2                | 7.2                | 10.9               | 14.2               |                    |                    |
| Cash flow from operating activities                   | 37.0               | 52.1               | 50.1               | 66.0               |                    |                    |

<sup>1)</sup> The 2019 data includes Uppländska, Bellmans and VSM for the period January - June and Samgräv for the period February - June. The 2020 data includes Uppländska, Bellmans, VSM and Samgräv for the period January - June and SÅCAB for the period March - June.

<sup>2)</sup> To illustrate the development of the Bellman Group, pro forma figures January - June 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 refers to the same item in the corresponding period last year, 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 machinery brokerage and haulage, Uppländska, which performs rock blasting operations, VSM, which carries out excavation work with large machinery, Samgräv, which is active in haulage, machine brokerage, mass handling and operation of own 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
- Safety



# Message from the CEO

**Bellman Group continues to develop well and the second quarter shows that the broad offering of our Group is a success factor. We are getting new contracts by offering comprehensive solutions to the customers, while fluctuations in the subsidiaries can be rebalanced between the companies. We believe in continued strong development and have modernized the fleet of machines and vehicles.**

We have noticed some price pressure during the second quarter, which probably is an effect of the uncertainty of how Covid-19 will impact the economy. VSM continues to show strong development within infrastructure and the segment's net sales and earnings increased during the quarter. Uppländska's net sales increased, but earnings were unchanged as a result of the project mix. Bellmans' had a challenging first half-year with lower sales and earnings, but we expect a recovery during the second half of the year. Samgräv's net sales decreased slightly, partly due to delayed customer projects, presumably due to Covid-19. During the second quarter net sales increased by 3% and EBITDA before items affecting comparability increased by 6%, which included SÅCAB that was acquired in March.

## Continued growth in infrastructure

Bellman Group is mainly operating in three market segments: infrastructure, housing as well as industrial and commercial properties. As a result of the outbreak of Covid-19, investments in housing and commercial property is expected to show some decline during 2020 and 2021. Housing only corresponds to approx. 7% of Bellman Group's net sales. The lion share of our sales is related to infrastructure and we see a strong demand for our services and expect continued growth in this segment.

The Västlänken rail link in Gothenburg, the West Coast Line, the Slussen interchange, Sälen Airport and the East Link are examples of Swedish infrastructure investments. Bellman Group is taking part in this development as we make it possible to build through our services in blasting, excavation and haulage. We believe in growth and have therefore decided to renew and expand the fleet with 42 new machines and vehicles during this year. Important factors for us have been to choose machines with low fuel consumption and low emissions levels, which are leading from a safety and work environment perspective.

Now is an excellent time to invest in renewal and expansion of infrastructure in Sweden, which will create jobs and speed up the transition to more climate-smart traffic solutions. We expect the politicians to see this opportunity and that there will be additional investments to stimulate Swedish economy.

Håkan Lind, VD Bellman Group



**” Now is an excellent time to invest in renewal and expansion of infrastructure in Sweden.”**

# Financial overview

## Second quarter, April – June 2020

### Net Sales

The Group's consolidated net sales for the second quarter amounted to SEK 454.5 m (440.8), an increase of 3.1% or SEK 13.7 m compared to the previous year. During the second quarter the acquisition of SÅCAB contributed with net sales of SEK 43.5 m. VSM's net sales increased by 10.6% to SEK 179.0 m (161.8) primarily driven by infrastructure projects. Net sales in Uppländska increased by 15.6% to SEK 71.5 m (61.8) mainly related to wind farms and infrastructure projects. Net sales in Bellmans decreased by -14.0% to SEK 148.9 m (173.1) while Samgräv decreased by -5.5% to SEK 61.2 m (64.7). The lower net sales in these segments were partly due to delayed customer projects, presumably an effect of Covid-19. For further details, see Segment overview.

### Earnings

EBITDA before items affecting comparability amounted to SEK 60.7 m (57.0), an increase of 6.4% or SEK 3.7 m. The increase was mainly due to the acquisition of SÅCAB, which contributed with SEK 4.5 m during the second quarter. VSM's earnings increased by 5.7% to SEK 29.4 m (27.8) primarily due to higher net sales and lower fuel costs. Bellmans' earnings decreased by -16.2% to SEK 8.8 m (10.5) due to lower net sales. Uppländska's and Samgräv's earnings were in line with last year. Uppländska's earnings amounted to SEK 10.0 m (10.4), while Samgräv's earnings amounted to SEK 7.9 m (8.2). For further details, see Segment overview.

EBITDA amounted to SEK 56.6 m (53.1), an increase of 6.6% or SEK 3.5 m. Items affecting comparability during the quarter amounted to SEK -4.1 m (-3.9) and comprised of expenses related to improvements of processes and procedures SEK -2.9 m (-3.2), acquisition expenses SEK -0.6 m (-0.3) as well as an adjustment of non-deductible VAT SEK -0.6 m (0.0).

Operating profit (EBIT) amounted to SEK 32.7 m (32.0) and included depreciation and amortization of SEK -23.9 m (-21.1) due to depreciation of tangible assets and concessions of SEK -23.0 m (-20.4) and amortization of intangible assets of SEK -0.9 m (-0.7).

Net financial items totaled SEK -12.2 m (-12.6) related to interest and amortization of financing expenses for the corporate bond of SEK -11.7 m (-11.4), external interest related to leasing of SEK -0.4 m (-0.2) and an adjustment of Samgräv's conditional purchase price of SEK -0.1 m (-1.0). Net profit in the second quarter totaled SEK 15.7 m (15.4) with an effective tax rate of 23.1% (20.6%).

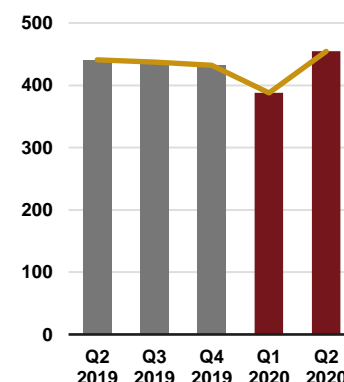
### Cash flow

The Group's cash flow from operating activities totaled SEK 37.0 m (52.1), a decrease of SEK 15.1 m. The change in cash flow was a result of an increased cash flow from operating activities before changes in working capital of SEK 43.2 m (42.7) and a negative change in working capital of SEK -6.2 m (9.4). The second quarter of 2019 was affected by two non-recurring items, a dividend payment from one of VSM's non-controlling entities and VSM's improved procedures for reducing operating capital. This explains the main part of the change in cash flow from operating activities compared to the previous year.

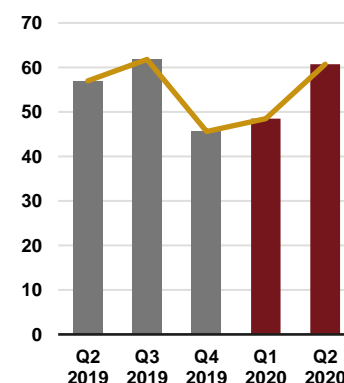
Cash flow from investing activities totaled SEK -2.8 m (-10.0). This was due to investments in tangible assets of SEK -8.8 m (-16.3) and sales of equipment of SEK 6.0 m (6.3).

Cash flow from financing activities totaled SEK -25.1 m (-23.6) and was mainly a result of amortization of the vendor loan for Bellmans of SEK -17.0 m (-19.5) as well as payment leasing debt of SEK -7.3 m (-4.1) and dividend paid to the VSM minority of SEK -0.8 m (0.0).

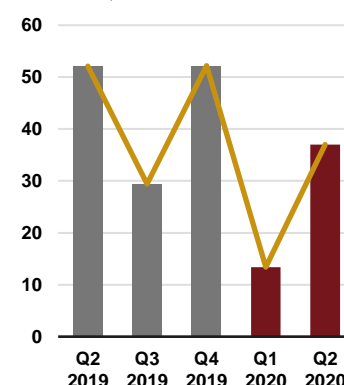
Net Sales, SEK m



EBITDA before items affecting comparability, SEK m



Cash flow from operating activities, SEK m



The cash flow for the quarter amounted to SEK 9.1 m (18.4) resulting in cash and cash equivalents at end of the quarter of SEK 110.9 m compared to SEK 100.5 m at the end of the second quarter 2019.

## Period, January – June 2020

### Net Sales

The Group's consolidated net sales for the period amounted to SEK 842.3 m (886.4), a decrease of -5.0% or SEK -44.2 m compared to the previous year. The decrease was mainly a result of lower net sales in Bellmans of -19.5% to SEK 275.6 m (342.2). The change was primarily due to two extraordinary projects during the first quarter of the previous year and generally lower sales in the first half of 2020. The lower net sales were related to a decline in the haulage operation where some customer projects were delayed, presumably as an effect of Covid-19. VSM's net sales decreased by -1.0% to SEK 347.6 m (351.0). Samgräv's net sales decreased by -2.2% to SEK 110.8 m (113.3) partly due to delayed customer projects and price pressure, presumably related to Covid-19. Uppländska's net sales increased by 15.6% to SEK 140.8 m (121.8) mainly due to wind farms and infrastructure projects. The acquisition of SÅCAB contributed with net sales of SEK 59.2 m during the period March - June 2020. For further details see Segment overview.

### Earnings

EBITDA before items affecting comparability amounted to SEK 109.2 m (106.8), an increase of 2.3% or SEK 2.4 m. This increase was mainly due to the acquisition of SÅCAB, which contributed with SEK 7.0 m during the period March - June 2020. VSM's earnings increased by 2.3% to SEK 55.8 m (54.6) primarily due to lower operating expenses and lower fuel cost. Uppländska's earnings increased by 4.5% to SEK 19.4 m (18.6) primarily due to increased net sales. Bellmans' earnings decreased by -17.8% to SEK 15.6 m (19.0) mainly due to lower net sales. Samgräv's earnings decreased by -23.7% to SEK 11.3 m (14.8). This was mainly a result of lower net sales related to the Fäxhult landfill and a one-time off sale of material during 2019. For further details, see Segment overview.

EBITDA amounted to SEK 101.9 m (101.1), an increase by 0.8% or SEK 0.8 m. Items affecting comparability during the quarter amounted to SEK -7.3 m (-5.7) and comprised of expenses related to improvements of processes and procedures of SEK -3.9 m (-4.2), acquisition expenses of SEK -2.8 m (-1.0) as well as an adjustment of non-deductible VAT SEK -0.6 m (0.0).

Operating profit (EBIT) amounted to SEK 54.8 m (60.9) and included depreciation and amortization of SEK -47.2 m (-40.2) due to depreciation of tangible assets and concessions of SEK -45.4 m (-38.8) and amortization of intangible assets of SEK -1.8 m (-1.4).

Net financial items totaled SEK -24.0 m (-23.4) related to interest and amortization of financing expenses for the corporate bond of SEK -23.0 m (-22.1), external interest related to leasing of SEK -0.8 m (-0.3) and an adjustment of Samgräv's conditional purchase price of SEK -0.2 m (-1.0). Net profit for the first half-year totaled SEK 24.0 m (29.8) with an effective tax rate of 21.9% (20.4%).

### Cash flow

The Group's cash flow from operating activities totaled SEK 50.1 m (66.0), a decrease of SEK 15.9 m. The change in cash flow was a result of an increased cash flow from operating activities before changes in working capital of SEK 76.5 m (71.1) and a negative change in working capital of SEK -26.4 m (-5.1). The change in the cash flow from operating activities, compared to the same period the previous year, is mainly explained by a dividend payment from one of VSM's non-controlling entities during 2019, and VSM's operating capital being lower at the start of the period, compared to the previous year.

Cash flow from investing activities totaled SEK -57.5 m (-113.9). This was a result of the acquisition of SÅCAB SEK -41.4 m (-94.2 Samgräv), investments in tangible assets of SEK -23.9 m (-25.9) and sales of equipment of SEK 7.8 m (6.3).

Cash flow from financing activities totaled SEK -35.1 m (54.0) and was mainly a result of amortization of the vendor loan for Bellmans of SEK -17.0 m (-19.5), repayment of SÅCAB's lease debt of SEK -3.1 m (-15.9 Samgräv loan), payment of leasing debt of SEK -14.2 m (-6.5) and dividend paid to the VSM minority of SEK -0.8 m (0.0). The first quarter 2019 included a new bond loan (SEK 95.9 m) related to the acquisition of Samgräv.

The cash flow for the period amounted to SEK -42.5 m (6.1) resulting in cash and cash equivalents at end of the second quarter 2020 of SEK 110.9 m compared to SEK 100.5 m at the end of the second quarter 2019.

### Investments

The Group's investments in tangible assets totaled SEK 23.9 m (25.9), which referred to Samgräv SEK 9.7 m (15.9) (landfills), VSM SEK 7.7 m (8.4) (vehicles), Uppländska SEK 3.1 m (0.7) (vehicles), Bellmans SEK 1.7 m (0.9) (vehicles), SÅCAB SEK 0.2 m (0.0) (landfills) and the Parent company SEK 1.5 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 financed through own funds 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 30 June 2020, amounted to SEK 492.9 m (502.4). This comprised of bonds to a nominal value of SEK 600.0 m (600.0), lease liabilities Uppländska of SEK 3.8 m (2.9) less cash and cash equivalents of SEK 110.9 m (100.5). Interest-bearing net debt in relation to rolling twelve-month pro forma<sup>1)</sup> EBITDA before items affecting comparability on 30 June 2020, was 2.01 (2.27).

Total net debt amounted to SEK 602.5 m compared to SEK 646.3 m, as of June 30 2019, and included a corporate bond of SEK 600.0 m (600.0), lease liabilities (including IFRS 16) of SEK 99.3 m (38.3), vendor loan (Bellmans) of SEK 1.6 m (18.6) and a conditional purchase price for the acquisition of Samgräv at a fair value of SEK 12.5 m (89.9) partly reduced by cash and cash equivalents of SEK 110.9 m (100.5).

### Financial position and financing

At the end of the period, the Group had cash and cash equivalents of SEK 110.9 m compared to SEK 100.5 m, as of 30 June 2019. Including an undrawn overdraft facility available cash and cash equivalents totaled SEK 154.9 m (144.5).

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 and 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.

<sup>1)</sup> To illustrate the development of the Bellman Group, pro forma figures January – June 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 Bellman Group's operational development, pro forma figures January - June 2019 and 2020 are used in the Segment overview. 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 needing 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 and airfields. VSM is certified for ISO 9001, 14001 and 45001. The company employs over 360 machines, of which about 50% belong to subcontractors.

First half-year net sales 2020 amounted to SEK 347.6 m (351.0). The major ongoing projects are Västlänken rail link Gothenburg, Microsoft Salbohed, Nya Skurubron (bridge), Bypass Stockholm and Täby Arninge Interchange, which contributed to about half of total net sales.

First half-year EBITDA before items affecting comparability increased by 2.3% to SEK 55.8 m (54.6). The increase was mainly due to slightly lower operating expenses and fuel costs.

Net sales for the first half-year 2020 (compared to full year 2019) were distributed between the Stockholm region 62% (60%), the Gothenburg region 18% (12%) and the rest of Sweden 20% (28%). Order intake was SEK 219 m (263) and the order backlog amounted to SEK 633 m (576), as of 30 June 2020. Active customer projects during first half-year amounted to 71, compared to approximately 90 projects during the full year 2019.

## Bellmans

Bellmans Åkeri carries out rock and earth excavation on behalf of customers, delivers gravel and crushing material as well as supplies customers with contracts for trucks and construction machinery, including drivers. Bellmans is certified for ISO 9001 and 14001 and will be certified according to 45001 during the fourth quarter of 2020. The company employs approximately 500 different types of vehicles daily, of which around 10% are own vehicles and the rest are owned by subcontractors.

First half-year net sales decreased by -19.5% to SEK 275.6 m (342.2) mainly due to high sales in two extraordinary projects in the first quarter of 2019 as well as some decline in the haulage business due to delayed projects, presumably related to Covid-19.

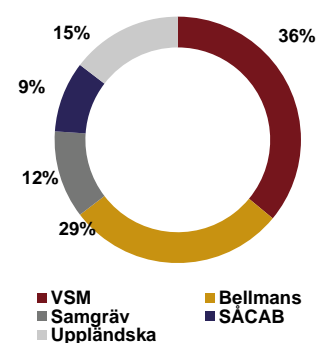
First half-year EBITDA before items affecting comparability decreased by -17.8% to SEK 15.6 m (19.0). The lower result was mainly due to the decrease in net sales.

Operations are concentrated to the Stockholm region and most of the sales were related to infrastructure projects. Bellmans' handled approximately 23,000 customer orders during the first half-year of 2020, compared to approximately 56,000 customer orders during the full year of 2019.

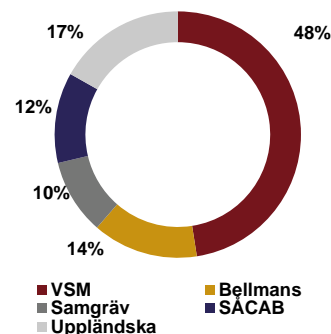
## Uppländska

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

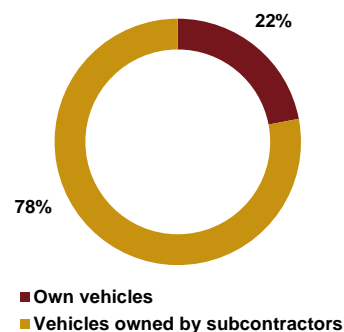
YTD Sales by segment



YTD EBITDA before items affecting comparability by segment



YTD distribution of vehicles





First half-year net sales increased by 15.6% to SEK 140.8 m (121.8). The half-year growth was mainly attributable to wind farms and larger infrastructure projects.

First half-year EBITDA before items affecting comparability increased by 4.5% to SEK 19.4 m (18.6). The improved earnings were mainly due to the increased net sales.

Net sales for the first half-year 2020 (compared to full year 2019) were distributed between the Stockholm region 54% (66%), the Gothenburg region 2% (2%) and the rest of Sweden 44% (32%). Order intake was SEK 63 m (97) and the order backlog was SEK 110 m (100), as of 30 June 2020. Active customer projects during the first half-year of 2020 amounted to just over 200, 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 more than 200 subcontractors. The company will be certified for ISO 9001, 14001 and 45001 during Q4 2020.

First half-year net sales decreased by -19.5% to SEK 110.8 m (137.6). The decline was mainly due to lower volumes in the haulage business, where some customer projects have been delayed and there has been a higher degree of price pressure presumably due to Covid-19, as well as lower volumes related to the Fäxhult landfill.

First half-year EBITDA before items affecting comparability decreased by -41.3% to SEK 11.3 m (19.2). This was mainly related to the decline in net sales, particularly related to the high margin landfill business in Fäxhult.

Operations were concentrated to the Gothenburg region and over a third of the sales were related to infrastructure projects. Samgräv handled approximately 10,000 customer orders during the first half-year of 2020, compared to approximately 20,000 during the full year of 2019.

### **SÅCAB**

SÅCAB is a company focused on haulage and machinery brokerage, 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 half-year net sales increased by 12.1% to SEK 89.7 m (80.0). The increase was mainly due to the Fors landfill generating higher crushed quantities of material during 2020 compared to 2019, thus increasing the landfill haulage activity and material sales.

First half-year EBITDA before items affecting comparability increased by 36.4% to SEK 13.9 m (10.2). This was mainly driven by increased net sales, particularly related to the high margin landfill business in Fors.

Net sales for the first half-year were entirely attributable to the Stockholm region with over 60 percent of the sales exposed to infrastructure projects. SÅCAB handled approximately 7,000 customer orders during the first half-year of 2020, compared to approximately 15,000 customer orders during the full year of 2019.

## Segment development

|   | Q2<br>2020 <sup>1)</sup> | Q2<br>2019 <sup>1)</sup> | YTD<br>2020 <sup>1)</sup> | YTD<br>2019 <sup>1)</sup> | Pro forma<br>YTD<br>2020 <sup>2)</sup> | Pro forma<br>YTD<br>2019 <sup>2)</sup> |
|---|--------------------------|--------------------------|---------------------------|---------------------------|--|--|
| <b>Net Sales, SEK m</b>                                   |                          |                          |                           |                           |  |  |
| Uppländska  | 71.5                     | 61.8                     | 140.8                     | 121.8                     | 140.8                                  | 121.8                                  |
| Bellmans  | 148.9                    | 173.1                    | 275.6                     | 342.2                     | 275.6                                  | 342.2                                  |
| VSM   | 179.0                    | 161.8                    | 347.6                     | 351.0                     | 347.6                                  | 351.0                                  |
| Samgräv   | 61.2                     | 64.7                     | 110.8                     | 113.3                     | 110.8                                  | 137.6                                  |
| SÅCAB   | 43.5                     | -                        | 59.2                      | -                         | 89.7                                   | 80.0                                   |
| Elimination, inter-company sales                          | -49.6                    | -20.7                    | -91.8                     | -41.9                     | -91.8                                  | -42.4                                  |
| <b>Total Net Sales</b>                                    | <b>454.5</b>             | <b>440.8</b>             | <b>842.3</b>              | <b>886.4</b>              | <b>872.8</b>                           | <b>990.3</b>                           |
|   | Q2<br>2020 <sup>1)</sup> | Q2<br>2019 <sup>1)</sup> | YTD<br>2020 <sup>1)</sup> | YTD<br>2019 <sup>1)</sup> | Pro forma<br>Q1<br>2020 <sup>2)</sup>  | Pro forma<br>Q1<br>2019 <sup>2)</sup>  |
| <b>EBITDA before items affecting comparability, SEK m</b> |                          |                          |                           |                           |  |  |
| Uppländska  | 10.0                     | 10.4                     | 19.4                      | 18.6                      | 19.4                                   | 18.6                                   |
| Bellmans  | 8.8                      | 10.5                     | 15.6                      | 19.0                      | 15.6                                   | 19.0                                   |
| VSM   | 29.4                     | 27.8                     | 55.8                      | 54.6                      | 55.8                                   | 54.6                                   |
| Samgräv   | 7.9                      | 8.2                      | 11.3                      | 14.8                      | 11.3                                   | 19.2                                   |
| SÅCAB   | 4.5                      | -                        | 7.0                       | -                         | 13.9                                   | 10.2                                   |
| Other   | 0.0                      | 0.2                      | 0.1                       | -0.1                      | 0.1                                    | -0.1                                   |
| <b>Total EBITDA before items affecting comparability</b>  | <b>60.7</b>              | <b>57.0</b>              | <b>109.2</b>              | <b>106.8</b>              | <b>116.1</b>                           | <b>121.4</b>                           |

<sup>1)</sup> The 2019 data includes Uppländska, Bellmans and VSM for the period January - June and Samgräv for the period February - June. The 2020 data includes Uppländska, Bellmans, VSM and Samgräv for the period January - June and SÅCAB for the period March - June.

<sup>2)</sup> To illustrate the development of the Bellman Group, pro forma figures YTD 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 the Swedish Construction Federation (May 2020). 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 during the first half-year 2020 (compared to full year 2019) comprised of projects related to infrastructure 57% (57%), commercial and industrial real estate 15% (13%), housing 7% (11%) and other 21% (19%).

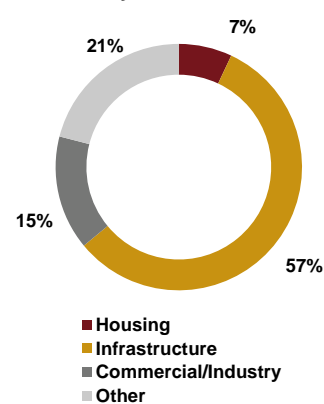
Geographically more than half of the building and construction investments are made in and around the larger cities, of which Stockholm is dominant. Growth in Stockholm is found in infrastructure and industrial properties while Gothenburg and Malmö are expected to show growth in all market segments. Bellman Group's first half-year sales in 2020 (compared to full year 2019) were distributed over the Stockholm region 68% (70%), the Gothenburg region 18% (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 cooperation with customers. The future development of the Group's subsidiaries is deemed good. The assessment is supported by the fact that the Group operates in a well-structured market, that the Group's service offering is in demand by customers and that the services have a high degree of efficiency. 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.

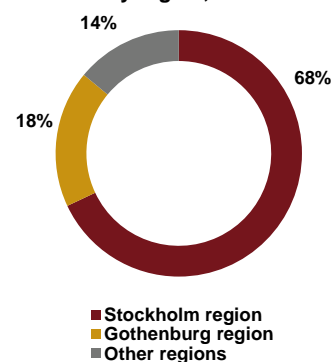
## Impact of Covid-19

In early-2020, the world was impacted by a pandemic in the form of Covid-19. Bellman Group's operations is to some extent exposed to a few 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, but individual projects can be affected.

Net sales by market, YTD



Net sales by region, YTD



# Other information

## Ownership and shares outstanding

At the end of the second 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 total shares.

## Organization

On 30 June 2020, the Group had 370 (377) employees. Of these, 170 (185) were employed by VSM, 93 (95) employed by Uppländska, 74 (74) employed by Bellmans, 19 (19) employed by Samgräv, 8 (0) employed by SÅCAB and 6 (4) employed by the Parent Company.

## 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 or harassment are not allowed in any form. A good corporate culture also makes for well-being, good relations, 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 mainly related to climate emissions due to the combustion of fossil fuels, but effects 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 sustainability targets for the business and a system has been implemented that enables follow-up of these during 2020.

## Risks and undertakings

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

## Significant events during the period

The Annual General Meeting (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 Rosenmüller Nordlander and Ingaliil Östman. The Board appointed Björn Andersson as Chairman of the Board. In addition, the AGM re-elect PricewaterhouseCoopers as auditor, the auditor in charge will continue to be Nicklas Kullberg. In accordance with the Board's proposal, the AGM resolved that the proposed appropriation of profits will be transferred in new account, with the view that no dividend is paid for the 2019 financial year.



VSM are contracted by Implenia to unload the Varberg tunnel, which is a part of the West Coast Line rail link.

The Group has seen a delay in some projects and higher price pressure in certain segments, which is presumably due to Covid-19. This has not had any significant impact on the Group's operations or liquidity during the quarter.

### **Significant events after the end of the period**

There have been no significant events after the end of the period.

### **Audit**

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

### **Assurance**

The Board of Directors and the CEO hereby confirm that this interim report for the period January – June 2020 provides a true and fair overview of the Parent Company's and the Group's operations, financial position and earnings, and addresses significant risks and uncertainties related to the Parent Company and the companies within the Group.

Stockholm, 28 August 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 Rosenmüller Nordlander**  
Member of the board

**Ingalill Östman**  
Member of the board

## Financial calendar

Interim report January - September 2020 20 November 2020

Year-end report 2020 19 February 2021

## Contacts

**Håkan Lind, CEO**

[hakan.lind@bellmangroup.se](mailto:hakan.lind@bellmangroup.se)

+46 (0) 70 669 8028

**Roger Axelsson, CFO**

[roger.axelsson@bellmangroup.se](mailto:roger.axelsson@bellmangroup.se)

+46 (0) 70 874 5041

## Address

**Bellman Group AB**

Vallgatan 9

170 67 Solna, Sweden

[info@bellmangroup.se](mailto:info@bellmangroup.se)

[www.bellmangroup.se](http://www.bellmangroup.se)

Reg.no. 559108-3729



## Group condensed and consolidated statement of comprehensive income

| SEK m   | Note | Q2<br>2020 <sup>1)</sup> | Q2<br>2019 <sup>1)</sup> | YTD<br>2020 <sup>1)</sup> | YTD<br>2019 <sup>1)</sup> |
|---|------|--------------------------|--------------------------|---------------------------|---------------------------|
| Net Sales   | 3    | 454.5                    | 440.8                    | 842.3                     | 886.4                     |
| Other operating income  |      | 3.2                      | 2.6                      | 4.8                       | 3.8                       |
| <b>Total revenue</b>  |      | <b>457.7</b>             | <b>443.4</b>             | <b>847.0</b>              | <b>890.3</b>              |
| <b>Operating expenses</b>                                     |      |                          |                          |                           |                           |
| Raw materials and consumables                                 |      | -315.5                   | -308.8                   | -582.0                    | -629.3                    |
| Other external expenses                                       |      | -17.2                    | -16.0                    | -31.0                     | -32.9                     |
| Personnel expenses  |      | -68.9                    | -66.4                    | -132.4                    | -128.5                    |
| Total depreciation, amortization and impairment               |      | -23.9                    | -21.1                    | -47.2                     | -40.2                     |
| Profit/loss from shares in associated companies               |      | 0.5                      | 0.9                      | 0.3                       | 1.5                       |
| <b>Total operating expenses</b>                               |      | <b>-425.1</b>            | <b>-411.4</b>            | <b>-792.3</b>             | <b>-829.4</b>             |
| <b>Operating profit (EBIT)</b>                                |      | <b>32.7</b>              | <b>32.0</b>              | <b>54.8</b>               | <b>60.9</b>               |
| Net financial items   |      | -12.2                    | -12.6                    | -24.0                     | -23.4                     |
| <b>Profit after net financial items</b>                       |      | <b>20.5</b>              | <b>19.4</b>              | <b>30.7</b>               | <b>37.5</b>               |
| Income tax  |      | -4.7                     | -4.0                     | -6.7                      | -7.7                      |
| <b>Net profit for the period</b>                              |      | <b>15.7</b>              | <b>15.4</b>              | <b>24.0</b>               | <b>29.8</b>               |
| Profit attributable to:                                       |      |                          |                          |                           |                           |
| - equity holders of the parent                                |      | 15.1                     | 15.1                     | 22.8                      | 29.1                      |
| - non-controlling interests                                   |      | 0.7                      | 0.3                      | 1.2                       | 0.7                       |
| Earnings per share (SEK), basic and diluted                   |      | 7.2                      | 7.2                      | 10.9                      | 14.2                      |
| Average number of shares, thousands                           | 9    | 2,087.0                  | 2,087.0                  | 2,087.0                   | 2,046.9                   |
| <b>Statement of other comprehensive income</b>                |      |                          |                          |                           |                           |
| Net profit for the period                                     |      | 15.7                     | 15.4                     | 24.0                      | 29.8                      |
| Exchange differences on translation of foreign operations     |      | 0.0                      | 0.0                      | 0.0                       | 0.0                       |
| <b>Total comprehensive income for the period</b>              |      | <b>15.7</b>              | <b>15.4</b>              | <b>24.0</b>               | <b>29.8</b>               |
| Total comprehensive income for the period is attributable to: |      |                          |                          |                           |                           |
| - Parent Company shareholders                                 |      | 15.1                     | 15.1                     | 22.8                      | 29.1                      |
| - Minority interests income                                   |      | 0.7                      | 0.3                      | 1.2                       | 0.7                       |

<sup>1)</sup> The income statement for 2019 refers to Uppländska, Bellmans, VSM and the Parent Company for the period January - June and to Samgräv for the period February - June. The income statement for 2020 refers to Uppländska, Bellmans, VSM, Samgräv and the Parent Company for the Period January - June and to SÅCAB for the period March - June.

## Group condensed consolidated balance sheet

| SEK m                               | Note | End Q2 2020 <sup>1)</sup> | End Q2 2019 <sup>1)</sup> | End Year 2019 <sup>1)</sup> |
|-------------------------------------|------|---------------------------|---------------------------|-----------------------------|
| <b>Assets</b>                       |      |                           |                           |                             |
| Intangible assets                   | 6    | 483.5                     | 505.1                     | 456.3                       |
| Tangible assets                     |      | 460.7                     | 421.3                     | 438.5                       |
| Non-current financial assets        |      | 18.9                      | 12.6                      | 12.1                        |
| <b>Total non-current assets</b>     |      | <b>963.0</b>              | <b>939.1</b>              | <b>906.9</b>                |
| Inventories                         |      | 12.5                      | 9.7                       | 7.8                         |
| Current receivables                 |      | 351.9                     | 310.9                     | 295.4                       |
| Cash and cash equivalents           |      | 110.9                     | 100.5                     | 153.4                       |
| <b>Total current assets</b>         |      | <b>475.3</b>              | <b>421.1</b>              | <b>456.6</b>                |
| <b>TOTAL ASSETS</b>                 |      | <b>1,438.3</b>            | <b>1,360.2</b>            | <b>1,363.5</b>              |
| <b>Equity and liabilities</b>       |      |                           |                           |                             |
| Parent shareholders' equity         |      | 388.7                     | 319.1                     | 366.0                       |
| Non-controlling interests           |      | 6.6                       | 6.1                       | 6.2                         |
| Non-current liabilities             |      | 727.9                     | 753.8                     | 703.6                       |
| Current liabilities                 |      | 315.0                     | 281.2                     | 287.7                       |
| <b>TOTAL EQUITY AND LIABILITIES</b> |      | <b>1,438.3</b>            | <b>1,360.2</b>            | <b>1,363.5</b>              |

<sup>1)</sup> The statement of financial position for End of Q2 and End of Year 2019 refers to Uppländska, Bellmans, VSM, Samgräv and the Parent Company. The statement of financial position for end of Q2 2020 refers to all segments (including SÄCAB).

## Group condensed consolidated statement of changes in equity

| SEK m  | Attributable to shareholders of Bellman Group AB |                       |             |                   |              |                           |              |
|--|--|-----------------------|-------------|-------------------|--------------|---------------------------|--------------|
|  | Share capital                                    | Other paid-up capital | Reserves    | Retained Earnings | Equity       | Non-controlling interests | Total Equity |
| <b>Opening balance, 1 January 2019</b>                         | 1.9  | 191.5                 | 0.0         | 52.5              | 245.9        | 5.4                       | 251.3        |
| Net profit/loss for the period                                 | 0.0  | 0.0                   | 0.0         | 29.1              | 29.1         | 0.7                       | 29.8         |
| Other comprehensive income for the period                      | 0.0  | 0.0                   | 0.0         | 0.0               | 0.0          | 0.0                       | 0.0          |
| <b>Total comprehensive income</b>                              | <b>0.0</b>                                       | <b>0.0</b>            | <b>0.0</b>  | <b>29.1</b>       | <b>29.1</b>  | <b>0.7</b>                | <b>29.8</b>  |
| Issue of new shares  | 0.2  | 43.8                  | 0.0         | 0.0               | 44.0         | 0.0                       | 44.0         |
| <b>Transactions with shareholders in role as owners</b>        | <b>0.2</b>                                       | <b>43.8</b>           | <b>0.0</b>  | <b>0.0</b>        | <b>44.0</b>  | <b>0.0</b>                | <b>44.0</b>  |
| <b>Closing balance, 30 June 2019</b>                           | <b>2.1</b>                                       | <b>235.3</b>          | <b>0.0</b>  | <b>81.7</b>       | <b>319.1</b> | <b>6.1</b>                | <b>325.2</b> |
| <b>Opening balance, 1 January 2020</b>                         | <b>2.1</b>                                       | <b>235.3</b>          | <b>0.0</b>  | <b>128.6</b>      | <b>366.0</b> | <b>6.2</b>                | <b>372.2</b> |
| Net profit/loss for the period                                 | 0.0  | 0.0                   | 0.0         | 22.8              | 22.8         | 1.2                       | 24.0         |
| Other comprehensive income for the period                      | 0.0  | 0.0                   | -0.1        | 0.0               | -0.1         | 0.0                       | -0.1         |
| <b>Total comprehensive income</b>                              | <b>0.0</b>                                       | <b>0.0</b>            | <b>-0.1</b> | <b>22.9</b>       | <b>22.7</b>  | <b>1.2</b>                | <b>23.9</b>  |
| Dividend (to minority)   | 0.0  | 0.0                   | 0.0         | 0.0               | 0.0          | -0.8                      | -0.8         |
| <b>Transactions with shareholders in their roles as owners</b> | <b>0.0</b>                                       | <b>0.0</b>            | <b>0.0</b>  | <b>0.0</b>        | <b>0.0</b>   | <b>-0.8</b>               | <b>-0.8</b>  |
| <b>Closing balance, 30 Jun 2020</b>                            | <b>2.1</b>                                       | <b>235.3</b>          | <b>-0.1</b> | <b>151.5</b>      | <b>388.7</b> | <b>6.6</b>                | <b>395.4</b> |

## Group condensed consolidated statement of cash flows

| SEK m  | Note | Q2<br>2020'' | Q2<br>2019'' | YTD<br>2020'' | YTD<br>2019'' |
|--|------|--------------|--------------|---------------|---------------|
| <b>Cash flow from operating activities</b>                                   |      |              |              |               |               |
| Operating profit   |      | 32.7         | 32.0         | 54.8          | 60.9          |
| <b>Adjustment for non-cash items:</b>  |      |              |              |               |               |
| Depreciation and amortization  |      | 23.9         | 21.2         | 47.2          | 40.2          |
| Other & non-cash items   |      | -0.6         | -5.1         | 0.7           | -3.9          |
| Interest paid  |      | -10.7        | -10.3        | -21.0         | -19.7         |
| Dividends from non-controlling entities                                      |      | -            | 9.9          | -             | 9.9           |
| Income taxes paid / received   |      | -2.1         | -4.9         | -5.1          | -16.3         |
| <b>Cash flow from operating activities before changes in working capital</b> |      |              |              |               |               |
| Changes in working capital   |      | -6.2         | 9.4          | -26.4         | -5.1          |
| <b>Cash flow from operating activities</b>                                   |      |              |              |               |               |
|  |      | 37.0         | 52.1         | 50.1          | 66.0          |
| <b>Cash flow from investing activities</b>                                   |      |              |              |               |               |
| Acquisition of subsidiaries, net of acquired cash and cash equivalents       | 6    | -            | -            | -41.4         | -94.2         |
| Investments in tangible assets   |      | -8.8         | -16.3        | -23.9         | -25.9         |
| Sale of tangible assets  |      | 6.0          | 6.3          | 7.8           | 6.3           |
| <b>Cash flow from investing activities</b>                                   |      |              |              |               |               |
|  |      | -2.8         | -10.0        | -57.5         | -113.9        |
| <b>Cash flow from financing activities</b>                                   |      |              |              |               |               |
| Repayment of lease liability   |      | -7.3         | -4.1         | -14.2         | -6.5          |
| Loans raised   |      | -            | -            | -             | 95.9          |
| Repayment of loans   |      | -17.0        | -19.5        | -20.1         | -35.4         |
| Dividends paid to minorities   |      | -0.8         | -            | -0.8          | -             |
| <b>Cash flow from financing activities</b>                                   |      |              |              |               |               |
|  |      | -25.1        | -23.6        | -35.1         | 54.0          |
| <b>Cash flow for the period</b>  |      |              |              |               |               |
|  |      | 9.1          | 18.4         | -42.5         | 6.1           |
| Cash and cash equivalents at the beginning of the period                     |      | 101.8        | 82.1         | 153.4         | 94.4          |
| Foreign exchange difference  |      | -            | -            | -             | -             |
| <b>Cash and cash equivalents at the end of the period</b>                    |      |              |              |               |               |
|  |      | 110.9        | 100.5        | 110.9         | 100.5         |

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



## Parent Company - Condensed consolidated income statement and comprehensive income

| SEK m   | Note | Q2<br>2020 | Q2<br>2019 | YTD<br>2020 | YTD<br>2019 |
|---|------|------------|------------|-------------|-------------|
| <b>Total revenue</b>                                      |      | 4.9        | 4.7        | 9.6         | 7.8         |
| <b>Total operating expenses</b>                           |      | -9.2       | -8.3       | -16.4       | -13.4       |
| <b>Operating loss (EBIT)</b>                              |      | -4.3       | -3.5       | -6.8        | -5.6        |
| Net financial items                                       |      | -9.5       | -10.3      | -18.7       | -18.7       |
| <b>Loss after net financial items</b>                     |      | -13.8      | -13.8      | -25.5       | -24.3       |
| Income tax  |      | 2.8        | 3.0        | 5.3         | 5.2         |
| <b>Net profit and comprehensive income for the period</b> |      | -11.0      | -10.8      | -20.2       | -19.1       |

## Parent Company - Condensed consolidated balance sheet

| SEK m                               | Note | End Q2 2020    | End Q2 2019    | End Year 2019  |
|-------------------------------------|------|----------------|----------------|----------------|
| <b>Assets</b>                       |      |                |                |                |
| Intangible assets                   |      | 1.9            | -              | 2.0            |
| Tangible assets                     |      | 1.9            | 0.3            | 0.9            |
| Non-current financial assets        |      | 1,158.0        | 1,086.5        | 1,058.3        |
| <b>Total non-current assets</b>     |      | <b>1,161.8</b> | <b>1,086.8</b> | <b>1,061.3</b> |
| Inventories                         |      | 0.0            | 0.0            | 0.0            |
| Current receivables                 |      | 10.7           | 2.5            | 7.5            |
| Cash and cash equivalents           |      | 82.2           | 84.2           | 144.4          |
| <b>Total current assets</b>         |      | <b>92.8</b>    | <b>86.7</b>    | <b>151.9</b>   |
| <b>TOTAL ASSETS</b>                 |      | <b>1,254.6</b> | <b>1,173.5</b> | <b>1,213.1</b> |
| <b>Equity and liabilities</b>       |      |                |                |                |
| Parent shareholders' equity         |      | 315.9          | 314.9          | 336.0          |
| Non-current liabilities             |      | 924.6          | 833.0          | 848.5          |
| Current liabilities                 |      | 14.1           | 25.6           | 28.6           |
| <b>TOTAL EQUITY AND LIABILITIES</b> |      | <b>1,254.6</b> | <b>1,173.5</b> | <b>1,213.1</b> |

# 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 Group management comprises of the Group CEO, Group CFO, Group IR/Communication and the chief executives of the subsidiaries. This group constitutes the chief operating decision makers in the Bellman Group and evaluates the Group's financial position and results, as well as makes strategic decisions. Group management has determined the operating segments based on the information available to it that is used as a basis for allocating resources and evaluating results. Group management monitors operations based on the five operating segments Bellmans, Uppländska, VSM, Samgräv and SÅCAB. The parent company and the Group are followed up under Other. Group management primarily uses 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. Operations are geographically concentrated to the greater Stockholm region and the surrounding area. The head office of Bellmans is in Saltsjö-Boo.

#### Uppländska

Uppländska Bergborrnings AB was acquired on 1 July 2017 and was founded in 1972. The business focus is rock blasting, rock drilling, wire sawing and rock splitting. The operations are concentrated geographically in the greater Stockholm area, southwestern and western Sweden and to southern Norrland. The head office of 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 construction machinery company with operations that mainly include rock and gravel handling at stationary and mobile crushing plants, contracts working with roads, tunnels, construction, and development, as well as brokerage contracts for machines and drivers. VSM operates throughout Sweden. The head office of VSM is in Kallhäll.

#### 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. Operations are concentrated geographically to Western Sweden and the Gothenburg region. The head office of Samgräv is in Kungälv.

### SÅCAB

SÅCAB Åkericentral AB, with its subsidiaries SÅCAB Förvaltning AB and SÅCAB Miljö AB, was acquired on 6 March 2020. This company was founded in 1977 and is a company focused on haulage and machinery contracts, but also operates its own landfill. Operations are geographically concentrated to the greater Stockholm region and the surrounding area. The head office of SÅCAB's 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's operations include Group management and other group-wide services. 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. The income from external customers reported for the segments to group management is measured in the same way as in the Group's income statement.

## Summarized financial segment information

|   | Q2                  | Q2                  | YTD                 | YTD                 | Pro forma           | Pro forma           |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2020 <sup>(1)</sup> | 2019 <sup>(1)</sup> | 2020 <sup>(1)</sup> | 2019 <sup>(1)</sup> | YTD                 | YTD                 |
|   |                     |                     |                     |                     | 2020 <sup>(2)</sup> | 2019 <sup>(2)</sup> |
| <b>Net Sales, SEK m</b>                                   |                     |                     |                     |                     |                     |                     |
| Uppländska  | 71.5                | 61.8                | 140.8               | 121.8               | 140.8               | 121.8               |
| Bellmans  | 148.9               | 173.1               | 275.6               | 342.2               | 275.6               | 342.2               |
| VSM   | 179.0               | 161.8               | 347.6               | 351.0               | 347.6               | 351.0               |
| Samgräv   | 61.2                | 64.7                | 110.8               | 113.3               | 110.8               | 137.6               |
| SÅCAB   | 43.5                | 0.0                 | 59.2                | 0.0                 | 89.7                | 80.0                |
| Elimination, inter-company sales                          | -49.6               | -20.7               | -91.8               | -41.9               | -91.8               | -42.4               |
| <b>Total net sales</b>                                    | <b>454.5</b>        | <b>440.8</b>        | <b>842.3</b>        | <b>886.4</b>        | <b>872.8</b>        | <b>990.3</b>        |
|   |                     |                     |                     |                     |                     |                     |
|   |                     |                     |                     |                     |                     |                     |
| <b>EBITDA before items affecting comparability, SEK m</b> |                     |                     |                     |                     |                     |                     |
| Uppländska  | 10.0                | 10.4                | 19.4                | 18.6                | 19.4                | 18.6                |
| Bellmans  | 8.8                 | 10.5                | 15.6                | 19.0                | 15.6                | 19.0                |
| VSM   | 29.4                | 27.8                | 55.8                | 54.6                | 55.8                | 54.6                |
| Samgräv   | 7.9                 | 8.2                 | 11.3                | 14.8                | 11.3                | 19.2                |
| SÅCAB   | 4.5                 | 0.0                 | 7.0                 | 0.0                 | 13.9                | 10.2                |
| Other   | 0.0                 | 0.2                 | 0.1                 | -0.1                | 0.1                 | -0.1                |
| <b>Total EBITDA before items affecting comparability</b>  | <b>60.7</b>         | <b>57.0</b>         | <b>109.2</b>        | <b>106.8</b>        | <b>116.1</b>        | <b>121.4</b>        |
|   |                     |                     |                     |                     |                     |                     |
|   |                     |                     |                     |                     |                     |                     |
| <b>Operating profit (EBIT), SEK m</b>                     |                     |                     |                     |                     |                     |                     |
| Uppländska  | 5.7                 | 6.9                 | 10.7                | 11.6                | 10.7                | 11.6                |
| Bellmans  | 4.9                 | 7.2                 | 8.1                 | 12.8                | 8.1                 | 12.8                |
| VSM   | 16.7                | 15.1                | 30.3                | 30.5                | 30.3                | 30.5                |
| Samgräv   | 6.5                 | 7.1                 | 8.4                 | 13.0                | 8.4                 | 17.1                |
| SÅCAB   | 4.0                 | 0.0                 | 5.6                 | 0.0                 | 12.2                | 9.6                 |
| Other   | -5.1                | -4.2                | -8.3                | -7.0                | -8.3                | -6.9                |
| <b>Total operating profit (EBIT)</b>                      | <b>32.7</b>         | <b>32.0</b>         | <b>54.8</b>         | <b>60.9</b>         | <b>61.4</b>         | <b>74.6</b>         |
|   |                     |                     |                     |                     |                     |                     |
|   |                     |                     |                     |                     |                     |                     |
| <b>Depreciation and amortization, SEK m</b>               |                     |                     |                     |                     |                     |                     |
| Uppländska  | -4.4                | -3.2                | -8.7                | -6.7                | -8.7                | -6.7                |
| Bellmans  | -3.9                | -3.3                | -7.5                | -6.2                | -7.5                | -6.2                |
| VSM   | -12.7               | -12.7               | -25.5               | -24.1               | -25.5               | -24.1               |
| Samgräv   | -1.5                | -1.1                | -2.9                | -1.8                | -2.9                | -2.1                |
| SÅCAB   | -0.5                | 0.0                 | -0.6                | 0.0                 | -0.9                | -0.6                |
| Other   | -1.0                | -0.7                | -2.0                | -1.3                | -2.0                | -1.4                |
| <b>Total depreciation and amortization</b>                | <b>-23.9</b>        | <b>-21.0</b>        | <b>-47.2</b>        | <b>-40.1</b>        | <b>-47.5</b>        | <b>-41.1</b>        |

| SEK m                                       | Q2                 | Q2                    | YTD                | YTD                   | Pro forma   | Pro forma   |
|---|--------------------|-----------------------|--------------------|-----------------------|-------------|-------------|
|   | 2020 <sup>1)</sup> | 2019 <sup>1)</sup>    | 2020 <sup>1)</sup> | 2019 <sup>1)</sup>    | YTD         | YTD         |
| EBITDA before items affecting comparability | 60.7               | 57.0                  | 109.2              | 106.8                 | 116.1       | 121.4       |
| Items affecting comparability <sup>3)</sup> | -4.1               | -3.9                  | -7.3               | -5.7                  | -7.3        | -5.7        |
| Depreciation, amortization and impairment   | -23.9              | -21.1                 | -47.2              | -40.2                 | -47.5       | -41.1       |
| Financial items and untaxed reserves        | -12.2              | -12.6                 | -24.0              | -23.4                 | -24.0       | -23.5       |
| <b>Profit before tax</b>                    | <b>20.5</b>        | <b>19.4</b>           | <b>30.7</b>        | <b>37.6</b>           | <b>37.3</b> | <b>51.1</b> |
| Working capital excl. Taxes, SEK m          | Q2                 | Q2                    | YTD                | YTD                   | Pro forma   | Pro forma   |
|   | 2020 <sup>1)</sup> | 2019 <sup>1) 4)</sup> | 2020 <sup>1)</sup> | 2019 <sup>1) 4)</sup> | YTD         | YTD         |
| Uppländska                                  | 23.2               | 19.9                  | 23.2               | 19.9                  | 23.2        | 19.9        |
| Bellmans                                    | -2.5               | -6.6                  | -2.5               | -6.6                  | -2.5        | -6.6        |
| VSM   | 48.3               | 48.0                  | 48.3               | 48.0                  | 48.3        | 48.0        |
| Samgräv                                     | 0.9                | 4.9                   | 0.9                | 4.9                   | 0.9         | 4.9         |
| SÅCAB                                       | 11.3               | 0.0                   | 11.3               | 0.0                   | 11.3        | 7.3         |
| Other                                       | -2.5               | -3.7                  | -2.5               | -3.7                  | -2.5        | -3.6        |
| <b>Total working capital excl. taxes</b>    | <b>78.7</b>        | <b>62.6</b>           | <b>78.7</b>        | <b>62.6</b>           | <b>78.7</b> | <b>69.9</b> |

<sup>1)</sup> The 2019 data includes Uppländska, Bellmans and VSM for the period January - June and Samgräv for the period February - June. The 2020 data includes Uppländska, Bellmans, VSM and Samgräv for the period January - June and SÅCAB for period March - June.

<sup>2)</sup> To illustrate the development of the Bellman Group, pro forma figures YTD 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.

<sup>3)</sup> YTD 2020 Items affecting comparability were all booked in the Other segment and comprised of acquisition expenses SEK -2.8 million (-1,0), expenses related to improvements to processes and procedures SEK -3.9 (-4,2) as well as a non-deductible VAT expenses of -0.6 (-0,5 consolidation expense). Q2 2020 Items affecting comparability were all booked in the Other segment and comprised of expenses related to improvements to processes and procedures SEK -2.9 (-3,2), acquisition expenses SEK -0.6 million (-0,3) as well as a non-deductible VAT expenses of -0.6 (-0,4 consolidation expense).

<sup>4)</sup> Working capital excl. Taxes has been adjusted from the Interim Report January - June 2019 to show the same basis for calculation as for 2020. Other has been adjusted up by SEK +18.6 million for non-current vendor loans and Uppländska has been adjusted up by SEK +1.5 m for non-current financial leasing.

| <b>Geographical sales split</b> | <b>% split</b>   | <b>% split</b>    | <b>% split</b> |
|---------------------------------|------------------|-------------------|----------------|
|                                 | <b>Stockholm</b> | <b>Gothenburg</b> | <b>Rest of</b> |
| <b>YTD 2020</b>                 | <b>region</b>    | <b>region</b>     | <b>Sweden</b>  |
| Uppländska                      | 53.9%            | 1.6%              | 44.5%          |
| Bellmans                        | 100.0%           | 0.0%              | 0.0%           |
| VSM                             | 62.1%            | 18.1%             | 19.9%          |
| Samgräv                         | 0.0%             | 100.0%            | 0.0%           |
| SÅCAB                           | 100.0%           | 0.0%              | 0.0%           |
| <b>Total Group</b>              | <b>67.1%</b>     | <b>18.8%</b>      | <b>14.1%</b>   |
| <b>YEAR 2019</b>                | <b>% split</b>   | <b>% split</b>    | <b>% split</b> |
|                                 | <b>Stockholm</b> | <b>Gothenburg</b> | <b>Rest of</b> |
|                                 | <b>region</b>    | <b>region</b>     | <b>Sweden</b>  |
| Uppländska                      | 66.3%            | 1.9%              | 31.8%          |
| Bellmans                        | 100.0%           | 0.0%              | 0.0%           |
| VSM                             | 60.4%            | 12.1%             | 27.5%          |
| Samgräv                         | 0.0%             | 100.0%            | 0.0%           |
| SÅCAB                           | 0.0%             | 100.0%            | 0.0%           |
| <b>Total Group</b>              | <b>68.4%</b>     | <b>17.1%</b>      | <b>14.6%</b>   |

| <b>Market sales split</b> | <b>% split</b> | <b>% split</b>        | <b>% split</b>    | <b>% split</b> |
|---------------------------|----------------|-----------------------|-------------------|----------------|
|                           | <b>Housing</b> | <b>Infrastructure</b> | <b>Commercial</b> | <b>Other</b>   |
| <b>YTD 2020</b>           |                |                       | <b>/Industry</b>  |                |
| Uppländska                | 8.6%           | 45.0%                 | 32.6%             | 13.8%          |
| Bellmans                  | 9.3%           | 62.5%                 | 10.8%             | 17.4%          |
| VSM                       | 0.0%           | 62.5%                 | 13.5%             | 24.0%          |
| Samgräv                   | 18.8%          | 37.4%                 | 18.8%             | 25.1%          |
| SÅCAB                     | 15.0%          | 60.1%                 | 0.0%              | 24.8%          |
| <b>Total Group</b>        | <b>7.2%</b>    | <b>56.7%</b>          | <b>15.3%</b>      | <b>20.7%</b>   |
| <b>YEAR 2019</b>          | <b>% split</b> | <b>% split</b>        | <b>% split</b>    | <b>% split</b> |
|                           | <b>Housing</b> | <b>Infrastructure</b> | <b>Commercial</b> | <b>Other</b>   |
|                           |                |                       | <b>/Industry</b>  |                |
| Uppländska                | 19.7%          | 35.1%                 | 30.1%             | 15.1%          |
| Bellmans                  | 9.4%           | 62.6%                 | 10.8%             | 17.2%          |
| VSM                       | 0.0%           | 68.3%                 | 6.2%              | 25.5%          |
| Samgräv                   | 38.6%          | 29.0%                 | 29.0%             | 3.5%           |
| SÅCAB                     | 14.6%          | 58.3%                 | 0.0%              | 27.1%          |
| <b>Total Group</b>        | <b>11.5%</b>   | <b>56.6%</b>          | <b>12.9%</b>      | <b>19.0%</b>   |

#### 4 Financial assets at fair value through profit or loss

The Group's financial assets measured at fair value through the income statement, consists of an early redemption option included in the bond loan which is recognized 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 the present value and the discount rate applied has been adjusted for own credit risk. Unobservable inputs refer to the risk-adjusted discount rate and expected cash flows. As of 30 June 2020 (compared to 31 March 2020) the fair value was SEK 2.7 m (2.7).

At the time of purchase of Samgräv, a contingent purchase price was booked which as of 30 June 2020 (compared to 31 March 2020) amounted to SEK 12.5 m (12.4). The change from the previous quarter is fully attributable to the fair value update and has been taken over the income statement. The contingent purchase price is based on EBITDA for the period 2019-2022 and is

#### 5 Transactions with related parties

No transactions between the Bellman Group and its affiliates have materially impacted the Group's financial position or earnings 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 and indirectly its 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 mainly attributable to synergies and other intangible assets that do not meet the criteria for separate accounting.

| <b>Purchase price, SEK m</b>        |             |
|-------------------------------------|-------------|
| Cash paid                           | 77,0        |
| <b>Total purchase consideration</b> | <b>77,0</b> |
| <b>Fair value net assets</b>        |             |
| 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        |
| <b>Asset value Samgräv</b>          | <b>48,3</b> |
| <b>Intangible assets</b>            | <b>28,7</b> |
| <b>Net assets acquired</b>          | <b>77,0</b> |

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

The acquired business contributed with net sales of SEK 59.2 m and net profit (EBIT) of SEK 5.6 m for the period March – June 2020. If the acquisition had been completed on 1 January 2020, a consolidated pro forma as of 30 June 2020 shows net sales of SEK 89.7 m and an operating profit (EBIT) of SEK 12.2 m. These amounts have been calculated based on the subsidiary's earnings after adjustments for differences in accounting policies between the Group and its subsidiary together with the related tax effects.

| <b>Cash Flow effect, SEK m</b>                | <b>SEK m</b> |
|---|--------------|
| Paid to seller (SÅCAB)                        | -77,0        |
| Cash acquired business (SÅCAB)                | 35,6         |
| <b>Net effect on cash flow at acquisition</b> | <b>-41,4</b> |

Acquisition-related costs of SEK 4.1 m have been taken during 2019/2020. SEK 2.5 m of these are included in other external expenses in the income statement and in operating activities of the cash flows statement for the first half-year of 2020.

## 7 Pledged assets

There have been no significant changes in pledged assets.

## 8 Interest bearing liabilities

No new loans were raised during the first half-year of 2020. The parent company has corporate bonds listed on Nasdaq Stockholm. This instrument is 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. In 2020, financing expenses amounted to SEK 11.6 m (as of June 30, 2020).

The bond rate is a variable interest, three months STIBOR plus 6.50%, which is paid quarterly in arrears. The bond matures in June 2022. Collateral has been provided by the Parent company in the form of shares in subsidiaries. The terms of the bond

include an option that entitles the holder to an early redemption of the loan. This option is recognized as a derivative and is classified as a financial asset that is measured at fair value through the income statement. The terms of the corporate bond loan are available on Bellman Group's website.

As of 30 June 2020, the vendor loan, which represents a delayed consideration related to the acquisition of Bellmans Åkeri, amounts to a total of SEK 1.6 m compared to SEK 18.6 m as of 31 December 2019. This consists of a current liability of SEK 0.0 m (17.0) and a non-current liability of SEK 1.6 m (1.6). The vendor loan runs without interest and is unsecured. The terms of the loan provide for the instalment to commence in 2018 and for the loan to be fully repaid by 2022.

The Group has certain tangible fixed assets and premises as well as some rights of use of land that are regulated by leasing agreements. As of 30 June 2020, the Group's leasing liabilities (non-current assets and rents) amounted to SEK 99.3 m compared to SEK 73.0 m as of December 31, 2019, of which SEK 68.8 m (50.8) were non-current liabilities and SEK 30.5 m (22.2) were current liabilities.

#### Covenants

At any time when the Group carries out a new business combination, the bond conditions stipulate that certain financial assets shall be met. All covenants were fulfilled in connection to the acquisition of SÅCAB.

### 9 Shares and earnings per share

|   | Q2<br>2020 <sup>1)</sup> | Q2<br>2019 <sup>1)</sup> | YTD<br>2020 <sup>1)</sup> | YTD<br>2019 <sup>1)</sup> | Year<br>2019 <sup>1)</sup> |
|---|--------------------------|--------------------------|---------------------------|---------------------------|----------------------------|
| <b>Number of shares</b>   |                          |                          |                           |                           |                            |
| Total number of shares, thousands   | 2,087.0                  | 2,087.0                  | 2,087.0                   | 2,087.0                   | 2,087.0                    |
| Total number of weighted average shares, before and after dilution, thousands | 2,087.0                  | 2,087.0                  | 2,087.0                   | 2,046.9                   | 2,067.1                    |
| Earnings per share (SEK), basic and diluted                                   | 7.2                      | 7.0                      | 10.9                      | 14.2                      | 13.4                       |

<sup>1)</sup> The 2019 data includes Uppländska, Bellmans and VSM for the period January - June and Samgräv February - June. The 2020 data includes Uppländska, Bellmans, VSM and Samgräv for the period January - June and SÅCAB for the period March - June.

# Definitions of performance measures

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

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

Bellman Group presents these measures because the company considers them to be important complementary measures of profitability and financial position, and these measures are often used by external stakeholders to assess and compare business outcomes and position. When comparing the measures presented here, the calculation for other companies may have been made with different definitions, which means that the outcome is not directly comparable.

| APM   | Description   |
|---|---|
| <b>EBITDA</b>   | 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.  |
| <b>EBITDA margin</b>  | EBITDA as a percentage of net sales during the period. The EBITDA margin is used to show EBITDA as a percentage of net sales.   |
| <b>EBITDA before items affecting comparability</b>  | 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.   |
| <b>EBITDA margin before items affecting comparability</b>   | 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.  |
| <b>Items affecting comparability</b>  | 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.  |
| <b>Interest-bearing net debt</b>  | Interest-bearing liabilities less cash and cash equivalents. This APM shows the group's total interest-bearing net debt for covenant purposes.  |
| <b>Interest-bearing net debt in relation to EBITDA before items affecting comparability including pro forma figures</b> | 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.   |
| <b>Operating profit (EBIT)</b>  | 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.  |
| <b>Operating margin</b>   | 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.   |
| <b>Net debt</b>   | Interest-bearing liabilities plus contingent considerations related to Bellmans and Samgräv, less cash and cash equivalents.  |
| <b>Working capital</b>  | 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. |





**BELLMAN  
GROUP**