



## INTERIM REPORT APRIL - JUNE 2018

The Bellman Group is comprised of Bellmans Åkeri & Entreprenad AB and Grundab Entreprenader i Stockholm AB (Bellmans), which are transport firms, and of Modern Sprängteknik i Norden AB and its subsidiaries, Uppländska Bergkrossnings AB, Uppländska Bergborrnings AB and Sprängarbeten i Trönödal AB (MST), which are engaged in blasting operations. Bellman Group AB, the Parent Company, was registered in April 2017. The major owner of Bellman Group AB is Verdane Holding 26 AB.

The comparative figures for January – June 2017 in this report refer to MST and the Parent Company. The income statement for 2017 refers to MST for the period January – December, to Bellmans for the period July – December and the Parent Company for the period April – December.

To illustrate the full year development of the Bellman Group, the comparative proforma figures for the 12 months January – December 2017 and the comparative proforma figures for January – June 2017, as presented in the analysis in this report include figures for MST and Bellmans, as if the acquisition of the subsidiaries had taken place on 1 January 2017.

### APRIL - JUNE 2018 (PROFORMA figures for 2017)

- Revenues decreased 5.2% to SEK 205.6 million (216.9), reflecting fewer accepted low margin projects at MST and a lower level of sales of material at Bellmans compared with the second quarter 2017.
- EBITDA before items affecting comparability decreased 22.0% to SEK 18.1 million (23.2), mainly impacted by revenue decline at Bellmans, costs relating to the new Group headquarters and an improved quality in the financial reporting of provisions.
- EDITDA after items affecting comparability totalled SEK 12.9 million (18.7), corresponding to a margin of 6.3%.
- Operating profit totalled SEK 6.5 million, with a margin of 3.2%, including amortisation of intangible assets.
- The Group's corporate bonds have been listed on the Corporate Bond List at Nasdaq Stockholm AB ("Nasdaq Stockholm"). The first listing day at Nasdaq Stockholm was 11 May, 2018.

### JANUARY - JUNE 2018 (PROFORMA figures for 2017)

- Revenues decreased 2.3% to SEK 394.8 million (404.2), reflecting fewer accepted low margin projects at MST and a lower level of sales of material at Bellmans.
- EBITDA before items affecting comparability decreased 9.4 % to SEK 34.7 million (38.3), mainly impacted by revenue decline at Bellmans, costs relating to the new Group headquarters and an improved quality in the financial reporting of provisions, partly offset by a profit growth in MST of 24.3%, as a result of improved gross margins.
- EDITDA after items affecting comparability totalled SEK 28.0 million (33.8) corresponding to a margin of 7.1%.
- Operating profit totalled SEK 15.2 million, with a margin of 3.9%, including amortisation of intangible assets.

### ACQUISITION

On 17 July, 2018, Bellman Group completed the acquisition of the machine contracting company, VSM Entreprenad AB, purchasing all of the shares in the company and also acquired, indirectly, its subsidiaries and associated companies. The acquisition was funded by new equity and the issuance of new corporate bonds.

## BELLMAN GROUP KEY PERFORMANCE INDICATORS

Proforma figures 2017 include figures for MST and Bellmans as if the acquisition of the subsidiaries had taken place on 1 January 2017.

SEK million	3 Months	Proforma	6 Months	Proforma	Latest	Proforma
	Apr-Jun	3 Months	Jan-Jun	6 Months	12 Months	12 Months
	2018	2017	2018	2017	2017-2018	Jan-Dec
Revenues	205,6	216,9	394,8	404,2	818,5	827,9
EBITDA before extraordinary items	18,1	23,2	34,7	38,3	58,8	62,4
EBITDA before extraordinary items margin, %	8,8%	10,7%	8,8%	9,5%	7,2%	7,5%
EBITDA after extraordinary items	12,9	18,7	28,0	33,8	49,3	55,1
EBITDA after extraordinary items margin, %	6,3%	8,6%	7,1%	8,4%	6,0%	6,7%
Operating profit (EBIT)	6,5		15,2			32,5
Operating margin, %	3,2%		3,9%			3,9%
Net income for the period	2,1		5,7			18,0
Earnings per share (SEK), basic and diluted	2,1		5,7			

## CEO COMMENTS

### Commercial update

Bellman Group completed the acquisition of the machine contracting company, VSM Entreprenad AB, as of July 17, 2018. VSM is a machine contracting company with operations primarily comprised of rock and gravel handling at stationary and mobile crushing plants, earth excavation involving roads, tunnelling, construction development and civil engineering, as well as of the rental of heavy machinery. VSM conducts its operations in Sweden and Norway through its subsidiaries and associated companies. For the financial year 2017, VSM's sales amounted to SEK 557 million and the adjusted EBITDA for the same period amounted to SEK 94 million. The Bellman Group's revenue for the financial year 2017, calculated proforma including VSM, amounted to SEK 1.385 million, and the adjusted EBITDA for the same period was SEK 157 million. Through this acquisition, Bellman Group strengthens its position within the machine contracting sector and broadens its operations to include Norway.

### Profit decline during the second quarter

During the second quarter, the Bellman Group reported a revenue decline of 5% and a profit decline of 22% compared with the comparative period in the prior year, mainly as a result of fewer accepted low margin projects at MST, revenue shortfall at Bellmans (lower level of sales of material, allocated costs relating to the new Group headquarters and an improved quality in the financial reporting of provisions). For the period January to June 2018, the Bellman Group reported a revenue decline of 2% and a profit decline of 9% compared with the same period in the prior year for the same reasons as described above. However, it should be noted that MST delivered a profit growth of 24% for the period January to June 2018 as a result of significantly improved gross margins, driven by strong project performance.

### Operational update

During the second quarter, MST has continued to see a positive effect from the investments in five drilling-rigs purchased from a competitor in December 2017. Margins have improved as a result of replacing sub-contractors with own machines and personnel. Operationally, MST has had a stable first quarter, with a high capacity utilization, whilst Bellmans has seen a slowdown in the sale of material compared with the corresponding period prior year.

### Outlook

We believe that during the forthcoming reporting periods, we will deliver sales and profits in line with expectations. Overall, we believe in a strong market for our services during the next few years, even though we have noted that the market conditions for housing construction could be less favourable going forward. The Bellman Group's business plan for the next 3-year period includes growth in terms of both volume and profit. This target will be achieved through organic growth, as well as through acquisitions.

**Håkan Lind**  
CEO

# FINANCIAL COMMENTS

## GROUP FINANCIAL PERFORMANCE – April to June

### Sales and earnings

The Group's consolidated revenues for the period were SEK 205.6 million (216.9), a decrease of 5.2%. MST reported revenues of SEK 60.5 million (63.2) and Bellmans SEK 146.4 million (155.1). The revenue decline for MST reflected fewer accepted low margin projects and, as regards to Bellmans, the revenue downturn was due to a lower level of sales of material compared with the corresponding period in the prior year.

EBITDA before items affecting comparability for the Group decreased by 22.0% to SEK 18.1 million compared with SEK 23.2 million in the second quarter 2017, corresponding to a margin of 8.8%. MST reported an EBITDA of SEK 9.4 million (SEK 11.6 million), reflecting exceptional high project margins in the second quarter 2017, as well as allocated costs for the new Group headquarters. Bellmans reported an EBITDA of SEK 7.2 million (SEK 11.5 million). The decrease in profits is explained by revenue decline, allocated costs for the new Group headquarters as well as by an improved quality in the quarterly reporting of provisions compared with the second quarter in the prior year.

Operating profit was SEK 6.5 million, including depreciation and amortisation of SEK -6.4 million and items affecting comparability of SEK -5.2 million. Items affecting comparability comprised acquisition costs, as well as costs incurred in relation to the listing application of corporate bonds on the Corporate Bond List at NASDAQ Stockholm AB ("Nasdaq Stockholm"). The bonds were originally listed at Nasdaq First North.

Net financial expenses were SEK -4.1 million, which was mainly attributable to interest on the corporate bonds. Net profit for the period was SEK 2.1 million.

### Cash flow

The Group's cash flow from operating activities was SEK -8.0 million, including an increase in working capital, largely related to accounts receivables. Cash flow from investing activities was SEK -2.6 million and was comprised of net investments in property, plant and equipment. Cash flow from financing activities was SEK -19.5 million, reflecting the amortisation of the vendor loan. As a result, cash flow for the period was SEK -30.1 million.

### Investments

The Group undertook planned investments in property, plant and equipment in a net amount of SEK 2.6 million, of which SEK 1.6 million referred to MST and SEK 1.0 million to Bellmans.

## GROUP FINANCIAL PERFORMANCE – January to June

### Sales and earnings

The Group's consolidated revenues for the period were SEK 394.8 million (404.2), a decrease of 2.3%. MST reported revenues of SEK 113.8 million (117.8) and the equivalent figure for Bellmans was SEK 283.1 million (292.3). The revenue decline for MST reflected fewer accepted low margin projects and, as regards to Bellmans, the decline was due to a lower level of sales of material.

EBITDA before items affecting comparability for the Group decreased by 9.4% to SEK 34.7 million compared with SEK 38.3 million in the previous year, corresponding to a margin of 8.8%. MST reported an EBITDA of SEK 19.4 million (SEK 15.6 million). The increase in profits for MST mainly reflects improved gross margins as a result of replacing sub-contractors with own machines and personnel, as well as a more favourable project mix compared with the prior year. Bellmans reported an EBITDA of SEK 13.9 million (SEK 22.6 million). The decrease in profits is explained by a revenue decline, allocated costs for the new Group headquarters, as well as by an improved quality in the quarterly reporting of provisions compared with the prior year.

Operating profit was SEK 15.2 million, including depreciation and amortisation of SEK -12.8 million and items affecting comparability of SEK -6.7 million. Items affecting comparability were comprised of acquisition costs, costs related to the IFRS conversion as well as costs incurred in relation to the listing application of the corporate bonds on the Corporate Bond List at NASDAQ Stockholm AB ("Nasdaq Stockholm"). The bonds were originally listed on Nasdaq First North.

Net financial expenses were SEK -8.1 million, which was mainly attributable to interest on the corporate bonds. Net profit for the period was SEK 5.7 million.

**Cash flow**

The Group's cash flow from operating activities was SEK 4.5 million. Cash flow from investing activities was SEK -7.5 million and was comprised of net investments in property, plant and equipment. Cash flow from financing activities was SEK -19.5 million, reflecting the amortisation of the vendor loan. As a result, cash flow for the period was SEK -22.5 million.

**Investments**

The Group undertook planned investments in property, plant and equipment in a net amount of SEK 7.5 million, of which SEK 4.5 million refer to MST and SEK 3.0 million to Bellmans.

**Net interest-bearing debt**

The Group's net interest-bearing debt as of 30 June 2018 was SEK 159.6 million, comprised of bonds (SEK 220.0 million), lease liabilities (SEK 5.2 million) less cash and cash equivalents (SEK 65.6 million). The ratio of net interest-bearing debt to the June LTM EBITDA before items affecting comparability was 2.7.

**ORGANISATION**

At 30 June, the Group had 177 full-time employees.

**FINANCIAL POSITION AND FINANCING**

At the end of the period, the Group had cash and cash equivalents of SEK 65.6 million. Including an undrawn overdraft facility, available cash and cash equivalents totalled SEK 85.6 million. The Parent Company has issued corporate bonds which are listed on the Corporate bond list at NASDAQ Stockholm AB ("Nasdaq Stockholm"). These bonds are listed as Bellman Group 1 with 220 units. The total outstanding nominal amount is SEK 220 million and the nominal value per unit is SEK 1.0 million. The interest rate on the bonds is variable three-month STIBOR plus 6.50 per cent. 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. This option is accounted for as a derivative of SEK 1.0 million and is classified as a financial asset at fair value through profit or loss. The terms and conditions of the bonds are available on the website of Bellman Group AB (publ), [www.bellmangroup.se](http://www.bellmangroup.se).

As per July, 2018, the Parent Company issued further bonds in an amount of SEK 280 million in order to finance the acquisition of VSM. All terms and conditions including maturity and interest rate are identical as those applying to the existing corporate bonds, except for 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.

**RISKS AND UNCERTAINTIES**

A description of significant risks and uncertainties can be found in the Group's Annual Report for 2017. The Annual Report is available on the website of Bellman Group AB (publ), [www.bellmangroup.se](http://www.bellmangroup.se). There has been no material change in significant risks and uncertainties since the Annual Report was published.

**SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

On 17 July, 2018, Bellman Group completed the acquisition of the machine contracting company VSM Entreprenad AB, purchasing all shares in the company and also acquiring, indirectly, its subsidiaries and associated companies. The final purchase price for the acquisition amounted to SEK 380,000,000 on a debt free basis. The cash payment of SEK 239,330,368 was paid in its entirety and Bellman Group has also completed a new share issue valued at SEK 100 million directed to the former owners of VSM, which, after the new issue, provides them, in total, with 33% ownership in the Bellman Group. The acquisition has been funded on the basis of new equity and the issuance of new bonds, totalling SEK 280 million.

**OUTLOOK**

Management expects the demand for Bellman Group's services to be strong during the second half of 2018.

## SEGMENT DEVELOPMENT

SEK million		Proforma		Proforma	Latest	Proforma
	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
Revenues	2018	2017	2018	2017	2017-2018	2017
MST	60,5	63,2	113,8	117,8	233,9	237,9
Bellmans	146,4	155,1	283,1	292,3	591,1	600,3
Elimination, intercompany sales	-1,3	-1,4	-2,1	-5,9	-6,5	-10,3
<b>Total revenues</b>	<b>205,6</b>	<b>216,9</b>	<b>394,8</b>	<b>404,2</b>	<b>818,5</b>	<b>827,9</b>

SEK million		Proforma		Proforma	Latest	Proforma
	3 Months	3 Months	6 Months	6 Months	12 Months	12 Months
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jul-Jun	Jan-Dec
EBITDA before extraordinary items	2018	2017	2018	2017	2017-2018	2017
MST	9,4	11,6	19,4	15,6	28,8	25,0
Bellmans	7,2	11,5	13,9	22,6	29,5	38,2
Other	1,5	0,1	1,4	0,1	0,5	-0,8
<b>Total EBITDA before extraordinary items</b>	<b>18,1</b>	<b>23,2</b>	<b>34,7</b>	<b>38,3</b>	<b>58,8</b>	<b>62,4</b>

Proforma 3 months Apr-Jun 2017, 6 months Jan-Jun and 12 months Jan-Dec 2017 include figures for MST and Bellmans as if the acquisition of the Bellmans subsidiaries had taken place on 1 January 2017.

### GROUP FINANCIAL PERFORMANCE – April to June

As mentioned previously in this report, the comparative figures for the period April – June 2017 in this report refer to MST and the Parent Company. The income statement for 2017 refers to MST for the period January – December, Bellmans for the period July – December and the Parent Company for the period April – December.

#### Sales and earnings

Revenues for the period amounted to SEK 205.6 million compared with SEK 63.2 million in the same period in the previous year. This was mainly the result of Bellmans being included in the second quarter 2018, while it had not been included in the corresponding period in the prior year. EBITDA before items affecting comparability amounted to SEK 18.1 million compared with SEK 11.6 million in the same period in the previous year. The increase in profits was mainly a result of Bellmans being included in the second quarter 2018, while it was not included in the corresponding period in the prior year. Operating profit amounted to SEK 6.5 million, including depreciation and amortization of SEK -6.4 million and items affecting comparability of SEK -5.2 million. Items affecting comparability comprised acquisition costs, as well as costs incurred in relation to the listing application for the corporate bonds on the Corporate Bond List at NASDAQ Stockholm AB ("Nasdaq Stockholm"). The bonds were originally listed at Nasdaq First North. Net financial expenses amounted to SEK -4.1 million, primarily attributable to interest on corporate bonds. Net income for the period amounted to SEK 2.1 million.

#### Cash flow and investments

The Group's cash flow from operating activities was SEK -8.0 million mainly as a result of increased working capital, largely related to accounts receivables. Cash flow from investing activities was SEK -2.6 million and was comprised of net investments in property, plant and equipment. Cash flow from financing activities was SEK -19.5 million reflecting the amortisation of the vendor loan. Cash flow for the period was SEK -30.1 million.

### GROUP FINANCIAL PERFORMANCE – January to June

#### Sales and earnings

Revenues for the period amounted to SEK 394.8 million compared with SEK 117.8 million in the same period in the previous year. This was mainly the result of Bellmans being included in 2018, while it had not been included in the corresponding period in the prior year. EBITDA before items affecting comparability amounted to SEK 34.7 million compared with SEK 15.6 million in the same period in the previous year. The increase in profits was mainly a result of Bellmans being included in 2018, while it had not been included in the corresponding period in the prior year. Operating profit amounted to SEK 15.2 million, including depreciation and

amortization of SEK -12.8 million and items affecting comparability of SEK -6.7 million. Items affecting comparability comprised acquisition costs, costs incurred in the listing of the corporate bonds on the Corporate Bond List at NASDAQ Stockholm AB ("Nasdaq Stockholm") as well as costs related to the IFRS conversion. Net financial expenses amounted to SEK -8.1 million, primarily attributable to interest on corporate bonds. Net income amounted to SEK 5.7 million for the period.

**Cash flow and investments**

The Group's cash flow from operating activities was SEK 4.5 million. Cash flow from investing activities was SEK -7.5 million and was comprised of net investments in property, plant and equipment. Cash flow from financing activities was SEK -19.5 million reflecting the amortisation of the vendor loan. Cash flow for the period was SEK -22.5 million.

**Parent Company**

Parent company net sales for the quarter were SEK 2.4 million and the pre-tax loss was SEK -8.2 million. The Parent Company did not make any investments during the period. Equity at the end of the reporting period amounted to SEK 124.6 million.

## OTHER INFORMATION

### AUDIT

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

### CONTACT INFORMATION

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### FINANCIAL CALENDAR

The interim report for the period July – September 2018, to be released on 23 November, 2018

### ASSURANCE

The Board of Directors and CEO hereby confirm that this Interim Report January – June 2018 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 factors of uncertainty to which the Parent Company and the companies included in the Group are exposed.

Stockholm, 29 August 2018

Per Nordlander  
Chairman of the Board

Björn Andersson  
Member of the Board

Robin Karlsson  
Member of the Board

Håkan Lind  
CEO and Member of the Board

## GROUP – CONDENSED CONSOLIDATED STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME

SEK million		3 Months	3 Months	6 Months	6 Months	12 Months	*) Proforma 12 Months Jan-Dec 2017
	Note	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017	
Revenues		205,6	63,2	394,8	117,8	542,6	827,9
Other operating income		0,9	-1,4	1,6	-1,0	2,7	5,5
		206,5	61,8	396,4	116,8	545,3	833,4
<b>Operating expenses</b>							
Raw materials and consumables		-154,3	-31,6	-295,7	-66,0	-404,7	-647,6
Other external expenses		-10,8	-5,3	-17,8	-9,5	-32,6	-34,7
Employee benefits		-28,5	-13,8	-54,9	-26,2	-75,5	-95,4
Depreciation/amortisation and impairment of property, plant and equipment and intangible assets		-6,4	-2,2	-12,8	-5,0	-17,3	-22,6
Other operating expenses		0,0	-3,9	0,0	-3,9	-0,6	-0,6
Total operating expenses		-200,0	-56,7	-381,2	-110,5	-530,7	-800,9
<b>Operating profit</b>		<b>6,5</b>	<b>5,1</b>	<b>15,2</b>	<b>6,3</b>	<b>14,6</b>	<b>32,5</b>
Net financial items	4	-4,1	-0,3	-8,1	-0,4	-8,1	-7,7
<b>Profit after net financial items</b>		<b>2,4</b>	<b>4,8</b>	<b>7,1</b>	<b>5,9</b>	<b>6,5</b>	<b>24,8</b>
Income tax		-0,3	-1,1	-1,4	-1,3	-2,7	-6,8
<b>Net profit for the period</b>		<b>2,1</b>	<b>3,7</b>	<b>5,7</b>	<b>4,6</b>	<b>3,8</b>	<b>18,0</b>
Profit attributable to:							
- Parent Company shareholders		2,1	3,7	5,7	4,6	3,8	
Earnings per share (SEK), basic and diluted		2,1	16,4	5,7	20,4	5,9	
Average number of shares, thousands		1 014,2	225,6	1 011,4	225,6	643,0	
<b>Statement of other comprehensive income</b>							
Net profit for the period		2,1	3,7	5,7	4,6	3,8	
<b>Other comprehensive income</b>							
Other comprehensive income for the period		0,0	0,0	0,0	0,0	0,0	
<b>Total comprehensive income for the period</b>		<b>2,1</b>	<b>3,7</b>	<b>5,7</b>	<b>4,6</b>	<b>3,8</b>	
Total comprehensive income for the period is attributable to:							
- Parent Company shareholders		2,1	3,7	5,7	4,6	3,8	

\*) Proforma 12 months Jan-Dec 2017 includes figures for MST and Bellmans as if the acquisition of the Bellmans subsidiaries had taken place on 1 January 2017.



## GROUP – CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

SEK million	Note	30 Jun 2018	30 Jun 2017	31 Dec 2017
<b>Assets</b>				
Intangible assets	6	147,6	147,8	147,1
Property, plant and equipment		112,4	94,4	116,7
Non-current financial assets	4	6,2	5,4	3,4
<b>Total non-current assets</b>		<b>266,2</b>	<b>247,6</b>	<b>267,2</b>
Inventories		7,0	5,8	7,6
Current receivables		155,8	136,6	134,7
Cash and cash equivalents		65,6	97,7	88,2
<b>Total current assets</b>		<b>228,4</b>	<b>240,1</b>	<b>230,5</b>
<b>TOTAL ASSETS</b>		<b>494,6</b>	<b>487,8</b>	<b>497,7</b>
<b>Equity and liabilities</b>				
Total Equity		82,1	75,1	76,3
Non-current liabilities	8	261,3	273,6	278,1
Current liabilities		151,2	139,1	143,3
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>494,6</b>	<b>487,8</b>	<b>497,7</b>

## GROUP – CONDENSED STATEMENT OF CHANGES IN EQUITY ATTRIBUTABLE TO THE PARENT COMPANY'S SHAREHOLDERS

SEK million	3 Months Apr-Jun 2018	3 Months Apr-Jun 2017	6 Months Jan-Jun 2018	6 Months Jan-Jun 2017	12 Months Jan-Dec 2017
<b>Opening balance</b>	<b>79,9</b>	<b>25,2</b>	<b>76,3</b>	<b>24,3</b>	<b>24,3</b>
Net income for the period	2,1	3,7	5,7	4,6	3,8
Other comprehensive income	0,0	0,0	0,0	0,0	0,0
<b>Total comprehensive income for the period</b>	<b>2,1</b>	<b>3,7</b>	<b>5,7</b>	<b>4,6</b>	<b>3,8</b>
New share issue	0,0	30,4	0,0	30,4	32,4
Shareholders contribution	0,0	15,8	0,0	15,8	15,8
<b>Transactions with owners in their capacity as owners</b>	<b>0,0</b>	<b>46,2</b>	<b>0,0</b>	<b>46,2</b>	<b>48,2</b>
<b>Closing balance</b>	<b>82,1</b>	<b>75,1</b>	<b>82,1</b>	<b>75,1</b>	<b>76,3</b>

## GROUP – CONDENSED STATEMENT OF CASH FLOW

SEK million	3 Months	3 Months	6 Months	6 Months	*) Proforma 12 Months Jan-Dec
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	
	2018	2017	2018	2017	2017
<b>Cash flow from operating activities</b>					
<b>Operating profit</b>	<b>6,5</b>	<b>5,1</b>	<b>15,2</b>	<b>6,3</b>	<b>32,5</b>
Adjustment for non-cash items:					
Depreciation and amortisation	6,4	2,2	12,8	5,0	22,6
Other & non-cash items	-1,1	6,4	-1,8	5,7	-4,0
Net interest expense	-3,6	-0,1	-7,2	-0,3	-7,3
Income taxes paid	-2,1	-0,5	-5,0	-1,3	-1,5
<b>Cash flow from operating activities before changes in working capital</b>	<b>6,1</b>	<b>13,0</b>	<b>14,0</b>	<b>15,3</b>	<b>42,3</b>
Changes in working capital	-14,1	-8,8	-9,5	-9,6	-2,2
<b>Cash flow from operating activities</b>	<b>-8,0</b>	<b>4,2</b>	<b>4,5</b>	<b>5,7</b>	<b>40,1</b>
<b>Cash flow from investing activities</b>					
Investments in intangible assets	0,0	0,0	0,0	0,0	0,0
Acquisition of subsidiaries, net of acquired cash and cash equivalents	0,0	-108,6	0,0	-108,6	-124,5
Net investments in property, plant and equipment	-2,6	-3,6	-7,5	-6,7	-41,0
<b>Cash flow from investing activities</b>	<b>-2,6</b>	<b>-112,2</b>	<b>-7,5</b>	<b>-115,3</b>	<b>-165,5</b>
<b>Cash flow from financing activities</b>					
Issue of shares	0,0	1,1	0,0	1,1	3,1
Shareholder contributions received	0,0	13,9	0,0	13,9	13,9
Loans raised	0,0	219,6	0,0	220,0	220,0
Payment of financing costs	0,0	-7,1	0,0	-7,1	-8,0
Repayment of loans	-19,5	-22,7	-19,5	-23,2	-46,8
<b>Cash flow from financing activities</b>	<b>-19,5</b>	<b>204,8</b>	<b>-19,5</b>	<b>204,7</b>	<b>182,2</b>
<b>Cash flow for the period</b>	<b>-30,1</b>	<b>96,8</b>	<b>-22,5</b>	<b>95,1</b>	<b>56,8</b>
Cash and cash equivalents at the beginning of the period	95,7	0,9	88,1	2,6	31,4
<b>Cash and cash equivalents at the end of the period</b>	<b>65,6</b>	<b>97,7</b>	<b>65,6</b>	<b>97,7</b>	<b>88,2</b>

\*) Proforma 12 months Jan-Dec 2017 includes figures for MST and Bellmans as if the acquisition of the Bellmans subsidiaries had taken place on 1 January 2017.

## PARENT COMPANY – CONDENSED STATEMENT OF INCOME

SEK million	3 Months	3 Months	6 Months	6 Months	9 Months
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Apr-Dec
	2018	2017	2018	2017	2017
Total Revenues	2,4	0,8	4,4	0,8	4,8
Total operating expenses	-7,3	-0,7	-10,9	-0,7	-8,2
Operating loss	-4,9	0,1	-6,5	0,1	-3,4
Loss after net financial expense	-8,2	0,1	-13,0	0,1	-10,8
Net loss for the period	-6,5	0,1	-10,2	0,1	-8,4

## PARENT COMPANY – CONDENSED STATEMENT OF FINANCIAL POSITION

SEK million	Note	30 Jun 2018	30 Jun 2017	31 Dec 2017
Total non-current assets		349,9	345,3	369,1
Total current assets		65,1	73,9	41,4
<b>TOTAL ASSETS</b>		<b>415,0</b>	<b>419,2</b>	<b>410,5</b>
Total equity		124,6	142,2	134,7
Total non-current liabilities		233,0	251,5	251,8
Total current liabilities		57,4	25,5	24,0
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>415,0</b>	<b>419,2</b>	<b>410,5</b>

## PARENT COMPANY – CONDENSED STATEMENT OF CASH FLOW

SEK million	3 Months	3 Months	6 Months	6 Months	9 Months
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Apr-Dec
	2018	2017	2018	2017	2017
Operating loss	-4,9	0,1	-6,5	0,1	-3,4
Cash flow from operating activities before changes in working capital	-8,9	0,1	-13,1	0,1	-10,0
Changes in working capital	2,2	0,1	2,8	0,1	1,9
<b>Cash flow from operating activities</b>	<b>-6,7</b>	<b>0,2</b>	<b>-10,3</b>	<b>0,2</b>	<b>-8,1</b>
Cash flow from investing activities	52,7	-155,2	52,7	-155,2	-182,2
Cash flow from financing activities	-19,5	227,9	-19,5	227,9	228,9
<b>Cash flow for the period</b>	<b>26,5</b>	<b>72,9</b>	<b>22,9</b>	<b>72,9</b>	<b>38,6</b>
Cash and cash equivalents at beginning of period	35,0	0,0	38,6	0,0	0,0
<b>Cash and cash equivalents at end of period</b>	<b>61,5</b>	<b>72,9</b>	<b>61,5</b>	<b>72,9</b>	<b>38,6</b>

# NOTES TO THE FINANCIAL INFORMATION

## 1 Summary of significant accounting policies

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 in the financial statements refer to millions of Swedish kronor (SEK million) unless otherwise indicated.

### 1.1. Basis of preparation of financial statements

The consolidated financial statements for 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 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 2017 Annual Report with the exception of the new standards, IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers, applying from 1 January 2018. The implementation of the new standards has not had any material impact on the Group's financial statements. In accordance with IFRS 15 Revenue from Contracts with Customers, there is a new disclosure requirement which has had no impact on the manner in which the Group discloses its revenues in Note 3. No other IFRS or IFRIC interpretations which have not, to date, become effective, are expected to have any material impact on the Group.

For further information regarding the Group's applied accounting principles, see the Group's Annual Report for 2017.

### 2 Important 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.

Company management deem that there is no significant information, nor judgments in the accounts regarding future developments or other important sources of uncertainty in the estimates undertaken at balance sheet date, which would imply a significant risk of a major adjustment in the reported values of the assets and liabilities during the foreseeable future.

### 3 Segment information

#### Description of segments and principal business activities:

The Bellman Group's senior management team, comprised of the Group CEO, Group CFO and the chief executives of the subsidiaries, constitutes the chief operating decision maker in the Bellman Group and evaluates the Group's financial position and results, and 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 two operating segments MST and Bellmans, as well as regards the Other segment. Senior management primarily applies EBITDA in monitoring the Group's results.

#### MST

Rock blasting, rock drilling and excavation services.

#### Bellmans

Transport and excavation services in the construction sector.

#### Other segment

Senior management and other central services.

## Revenues

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.

SEK million	3 Months	3 Months	6 Months	6 Months	** ) 12 Months	*) Proforma
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	12 Months
	2018	2017	2018	2017	2017	2017
<b>Revenues</b>						
MST	60,5	63,2	113,8	117,8	237,9	237,9
Bellmans	146,4	0,0	283,1	0,0	309,1	600,3
Elimination, intercompany sales	-1,3	0,0	-2,1	0,0	-4,4	-10,3
<b>Total revenues</b>	<b>205,6</b>	<b>63,2</b>	<b>394,8</b>	<b>117,8</b>	<b>542,6</b>	<b>827,9</b>

SEK million	3 Months	3 Months	6 Months	6 Months	** ) 12 Months	*) Proforma
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	12 Months
	2018	2017	2018	2017	2017	2017
<b>EBITDA before extraordinary items</b>						
MST	9,4	11,6	19,4	15,6	24,9	25,0
Bellmans	7,2	0,0	13,9	0,0	15,1	38,2
Other	1,5	0,1	1,4	0,1	-0,8	-0,8
<b>Total EBITDA before extraordinary items</b>	<b>18,1</b>	<b>11,8</b>	<b>34,7</b>	<b>15,8</b>	<b>39,2</b>	<b>62,4</b>

SEK million	3 Months	3 Months	6 Months	6 Months	** ) 12 Months	*) Proforma
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	12 Months
	2018	2017	2018	2017	2017	2017
<b>Operating profit/loss</b>						
MST	6,0	9,5	12,6	10,7	13,2	13,3
Bellmans	4,9	0,0	8,6	0,0	9,5	27,3
Other	-4,4	-4,4	-6,0	-4,4	-8,1	-8,1
<b>Total operating profit</b>	<b>6,5</b>	<b>5,1</b>	<b>15,2</b>	<b>6,3</b>	<b>14,6</b>	<b>32,5</b>

SEK million	3 Months	3 Months	6 Months	6 Months	** ) 12 Months	*) Proforma
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	12 Months
	2018	2017	2018	2017	2017	2017
<b>Depreciation, amortisation and impairment</b>						
MST	-3,5	-2,2	-7,0	-5,0	-11,7	-11,7
Bellmans	-3,0	0,0	-5,9	0,0	-5,6	-10,9
Other	0,0	0,0	0,0	0,0	0,0	0,0
<b>Total depreciation, amortisation and impairment</b>	<b>-6,4</b>	<b>-2,2</b>	<b>-12,8</b>	<b>-5,0</b>	<b>-17,3</b>	<b>-22,6</b>

The following is a reconciliation of profit/loss before tax and EBITDA before extraordinary items:

SEK million	3 Months	3 Months	6 Months	6 Months	** ) 12 Months	*) Proforma
	Apr-Jun	Apr-Jun	Jan-Jun	Jan-Jun	Jan-Dec	12 Months
	2018	2017	2018	2017	2017	2017
EBITDA before extraordinary items	18,1	11,8	34,7	15,8	39,2	62,4
Extraordinary items***	-5,2	0,0	-6,7	0,0	-7,3	-7,3
Depreciation, amortisation and impairment	-6,4	-2,2	-12,8	-5,0	-17,3	-22,6
Financial income and expense	-4,0	-0,3	-8,1	-0,4	-8,1	-7,7
<b>Profit before tax</b>	<b>2,4</b>	<b>4,8</b>	<b>7,1</b>	<b>5,9</b>	<b>6,5</b>	<b>24,8</b>

\*) Proforma 12 months Jan-Dec 2017 includes figures for MST and Bellmans as if the acquisition of the Bellmans subsidiaries had taken place on 1 January 2017.

\*\*) 12 months Jan-Dec 2017 includes figures for the Parent Company from 10 April 2017 (which was the date of incorporation of Bellman Group AB), figures from MST from January 2017 and figures from Bellmans from the date of the acquisition of the Bellmans subsidiaries 1 July 2017.

\*\*\*) Consisting of items affecting comparability which are comprised of acquisition costs, costs related to the IFRS conversion as well as costs incurred in relation to the listing application of the corporate bonds on the Corporate Bond List at NASDAQ Stockholm AB ("Nasdaq Stockholm").

SEK million

Working capital	30 Jun 2018	30 Jun 2017	31 Dec 2017
MST	27,1	23,8	23,1
Bellmans	8,2	0,0	-0,2
Other	-4,9	-5,0	-2,0
<b>Total working capital</b>	<b>30,4</b>	<b>18,8</b>	<b>20,9</b>

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

The fair value hierarchy:

This section describes the estimates and judgements applied in determining the fair values of financial instruments measured at fair value in the financial statements. In order to provide an indication of the reliability of the inputs used in determining fair value, the Group has classified the financial instruments at Level 3 in the fair value hierarchy. In cases in which one or several significant inputs are not based on observable market information, the instrument is included in Level 3.

SEK million	Measured at fair value through profit or loss	Level of fair value hierarchy		
		1	2	3
<b>Closing balance, 30 June 2017</b>				
Derivatives	0,0	0,0	0,0	0,0
<b>Total assets</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>	<b>0,0</b>
<b>Closing balance, 31 December 2017</b>				
Derivatives	1,0	0,0	0,0	1,0
<b>Total assets</b>	<b>1,0</b>	<b>0,0</b>	<b>0,0</b>	<b>1,0</b>
<b>Closing balance, 30 June 2018</b>				
Derivatives	1,0	0,0	0,0	1,0
<b>Total assets</b>	<b>1,0</b>	<b>0,0</b>	<b>0,0</b>	<b>1,0</b>

No transfers between the levels were made during the period.

Valuation techniques used in determining fair value:

The fair values of derivatives have 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.

Measurement at fair value using significant unobservable inputs (Level 3):

The following table shows changes in Level 3 instruments in the current period.

SEK million	Derivatives
<b>Closing balance, 30 June 2017</b>	<b>0,0</b>
Issuance of corporate bonds	1,0
Acquisitions	0,0
Gains (+)/losses (-) recognised in other financial income**)	0,0
<b>Closing balance, 31 December 2017</b>	<b>1,0</b>
Acquisitions	0,0
Gains (+)/losses (-) recognised in other financial income**)	0,0
<b>Closing balance, 30 June 2018</b>	<b>1,0</b>

\*\* ) Includes unrealised gains or losses recognised in the income statement attributable to balances held at the end of the reporting period.

Measurement inputs and their relationship to fair value:

Changes in unobservable inputs used in determining fair value as regards Level 3 are not considered to give rise to any significant changes which would materially impact fair value. The Group's Finance Department includes members of staff undertaking measurements of balance sheet items for financial reporting, including Level 3 fair value measurements. The major Level 3 inputs are analysed at the end of each reporting period.

#### 5 Transactions with related parties

No transactions between the Bellman Group and related parties significantly impacting the Group's financial position or results took place during the period.

#### 6 Business combination

No business combinations took place during the period.

#### 7 Pledged assets

No significant changes in assets pledged as security took place in the period.

#### 8 Interest bearing liabilities

No essential changes in Interest bearing liabilities took place during the period.

The Parent Company has issued corporate bonds, which were listed on the NASDAQ First North market in Stockholm on 10 August 2017. The instrument is listed as Bellman Group 1 with 220 units. The total outstanding nominal amount is SEK 220.0 million and the nominal value per unit is SEK 1.0 million. Financing costs of SEK 6.8 million attributable to the bonds have been capitalised as regards the loan. The interest rate on the bonds is variable three-month STIBOR plus 6.50 per cent. This interest is payable quarterly in arrears. The bonds mature in June 2022. The Parent Company has posted collateral for the bonds in the form of shares in subsidiaries. The terms and conditions of the bonds include an early redemption option. This option is accounted for as a derivative and is classified as a financial asset at fair value through profit or loss. The terms and conditions of the bonds are available on the website of Bellman Group AB (publ), [www.bellmangroup.se](http://www.bellmangroup.se).

The vendor loan is for SEK 58.5 million, of which SEK 19.5 million is a current liability and SEK 39.0 million is a non-current liability. The vendor loan is interest-free and is not secured by collateral. Under the terms and conditions of the loan, the first installments are due in 2018 and the loan must be fully repaid by 2020.

The carrying amount of the majority of the Group's borrowings approximates the fair value of the loan. This is due to the fact that the interest rates on the borrowings is in parity with current market interest rates and is also due to the fact that the borrowings are short-term. The only significant difference that has been identified in this context refers to the vendor loan, which has a carrying amount of SEK 39.0 million and a fair value of SEK 36.8 million based on discounted cash flows applying an estimated market interest rate –applicable –to the Group.

#### 9 Shares

Number of shares	3 Months	3 Months	6 Months	6 Months	** ) 12 Months
	Apr-Jun 2018	Apr-Jun 2017	Jan-Jun 2018	Jan-Jun 2017	Jan-Dec 2017
Total number of shares (A-shares), thousands	1 014,2	500,0	1 014,2	500,0	1 000,0
Total number of weighted average shares, before and after dilution (A-shares), thousands	1 014,2	225,6	1 011,4	225,6	643,0

\*\* ) 12 months Jan-Dec 2017 includes figures for the Parent Company from 10 April 2017 (which was the date of incorporation of Bellman Group AB), figures from MST from January 2017 and figures from Bellmans from the date of the acquisition of the Bellmans subsidiaries 1 July 2017.

## DEFINITIONS AND USE OF NON-INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS) EARNINGS MEASURES

Descriptions of financial performance measures and descriptions of earnings measures which are not used in the IFRS regulations.

The alternative financial measures which have not been calculated in accordance with IFRS and which are presented in this report do not constitute recognised valuation principles for financial position or liquidity in accordance with IFRS but are used by the Bellman Group to monitor the Group's financial performance and financial position. The alternative performance measures presented in the report must always be assessed in conjunction with the information presented in the income statement, balance sheet and statement of cash flows, and with performance measures calculated in accordance with IFRS.

The Bellman Group presents these alternative financial measures due to the fact that it considers that they constitute important supplementary measures of profitability and financial position, and because these measures are often used by external stakeholders to assess and compare different companies' financial performance and financial positions. When comparing the alternative financial measures presented here, it should be noted that calculations for other companies may have been undertaken applying different definitions, which means that the figures will not be directly comparable.

<b>Term</b>	<b>Description</b>
Cash flow from operating activities	Operating profit adjusted for non-cash items, sales of machinery and equipment, and changes in working capital.
Earnings per share	Profit for the year attributable to Parent Company shareholders divided by average number of outstanding ordinary shares.
EBITDA	Profit before net financial income/expense, tax, depreciation, amortisation and impairment. EBITDA is a measure which the Group considers to be relevant for investors who want to understand the company's earnings performance before investments in non-current assets.
EBITDA margin	EBITDA as a percentage of revenues for the period.
Equity/assets ratio	Equity including non-controlling interests, expressed as a percentage of total assets. This key ratio is used to show financial risk, expressed as the percentage of total assets that is financed by the owners.
Items affecting comparability	Items which occur rarely or are unusual in the ordinary course of business, such as start-up costs, restructuring costs and acquisition costs.
Net interest-bearing debt	Interest-bearing liabilities less cash and cash equivalents. This key ratio shows the Group's total interest-bearing liabilities.
Revenues	The Group recognises revenue when the amount can be reliably measured, it is probable that future economic benefits will accrue to the company and specific criteria have been met for each of the Group's businesses. For time and materials service contracts, revenue is recognised in the period in which the services are performed.
Operating margin	Operating profit as a percentage of revenues for the period.
Order backlog	The value of remaining, not yet accrued project revenues from orders on hand at the end of the period.
Order intake	The value of received projects and changes to existing projects during the period concerned.
Organic growth	The change in revenues adjusted for acquisitions and sales compared with the same period in the previous year.
Working capital	Working capital is calculated as current operating assets (inventories, trade receivables and other current non-interest-bearing receivables) less current operating liabilities (trade payables and other current non-interest-bearing liabilities). This measure shows the amount of working capital tied up in operating activities and can be expressed as a percentage of revenues to gain an understanding of how efficiently tied-up working capital is being utilised.