

VSM Entreprenad AB becomes a part of Bellman Group AB
Bellman Group AB (publ) (the “Company” or “Bellman Group”) has entered into an agreement regarding acquisition of the machine contracting company VSM Entreprenad AB (“VSM”).

On 4 June 2018, Bellman Group entered into an agreement with the owners of VSM regarding acquisition of all shares in the company and indirectly its subsidiaries and associated companies. The purchase price for the acquisition amounts to SEK 388 million on a debt free basis and will consist of a cash payment in the amount of SEK 213 million (before working capital adjustments) and newly issued shares in Bellman Group valued at SEK 100 million, after the new issue resulting in an ownership in Bellman Group of 33%.

VSM is a machine contracting company with operations mainly involving rock and gravel handling at stationary and mobile crushing plants, earth excavation involving roads, tunnelling, construction development and civil engineering as well as the renting of operated heavy machinery. VSM conducts its operations in Sweden and Norway through its subsidiaries and associated companies. For the financial year, VSM's sales amounted to SEK 557 million and the adjusted EBITDA for the same period amounted to SEK 94 million. The group's sales for the financial year 2017, calculated *pro forma* including VSM, amounted to SEK 1,385 million and the adjusted EBITDA for the same period, calculated *pro forma* including VSM, amounted to SEK 157 million.⁽¹⁾

Through the acquisition, Bellman Group strengthens its position within the machine contracting sector and broadens its operations to include Norway.

“It is very fun and exciting that VSM now becomes a part of Bellman Group. This acquisition is very much in line with Bellman Group's business and strategic plan. The goal is for the group to be able to offer solutions to customers that no one else can do, within one company. We see good opportunities to continue to create value in the new group, as all subsidiaries report a strong profit development”, says Håkan Lind, CEO of Bellman Group.

The intention is that VSM will continue to operate as a separate business following the acquisition.

“It will be interesting and exciting to take this step with VSM and work with the new organization to develop and expand the business so that we can meet customer and market needs. Through this we will be able to strengthen the position in Mälardalen but also in the rest of the country”, says Magnus Persson, CEO of VSM Entreprenad.

The acquisition will be funded by new equity and issuance of new bonds. In connection with the incurrence of new indebtedness, the Company will ask the existing bondholders to approve certain amendments to the terms and conditions of the existing bonds. The Company will provide further information in relation to this by way of a separate press release.

The acquisition is conditional upon that Bellman Group obtains required financing and that the Swedish Competition Authority approves the transaction. Closing of the transaction is expected to take place during the third quarter of 2018.

⁽¹⁾ The preliminary combined financial information has not been prepared in accordance with IFRS and is not financial pro forma information, and has not been audited or otherwise reviewed by the companies' auditors.

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About this information:

This information is information that Bellman Group AB (publ) is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the Company's CEO, at 16:30 CEST on 4 June 2018.

About Bellman Group

Bellman Group AB is comprised of Bellmans Åkeri & Entreprenad AB and Grundab Entreprenader i Stockholm AB, who are haulage contractors, as well as of Modern Sprängteknik i Norden AB with the subsidiaries Uppländska Bergkrossnings AB, Uppländska Bergborrnings AB and Sprängarbeten i Trönödal AB (MST), who undertake blasting operations. The Company has sales of SEK 828 million, 168 employees and approximately 400 subcontractors.

About VSM Entreprenad

VSM Entreprenad AB is a machine contracting company with operations mainly involving rock and gravel handling at stationary and mobile crushing plants, earth excavation involving roads, tunnelling, construction development and civil engineering as well as the renting of operated heavy machinery. VSM has sales of SEK 557 million (2017), 176 employees and approximately 100 subcontractors.