YEAR-END REPORT JANUARY – DECEMBER 2017

The BMST Group is comprised of Bellmans Åkeri & Entreprenad AB and Grundab Entreprenad i Stockholm AB (Bellmans), 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. BMST Intressenter AB, the Parent Company, was registered in April 2017. The principal shareholder of BMST Intressenter AB is Verdane Capital. This year-end report covers the period 1 January to 31 December, 2017.

As a stage in the preparations prior to BMST's planned change of bond listing to Nasdaq Stockholm, BMST Group has converted their consolidated accounts to IFRS. This is the first report the Group prepares according to IFRS, which implies that there are differences between this report and the previously presented quarterly report which was prepared according to the K3 framework. The accounting principles found in Note 1 have been applied in preparing the consolidated accounts for the BMST Group as at 31 December 2017 and for the comparative figures presented as at 31 December 2016. That the Group has chosen to convert the figures prior to presenting the annual financial statements implies that this report contains a large number of disclosures, amongst other things, as regards accounting principles, which would usually not be included in an interim report. These details will be presented in the Group's reports up to the point in time at which we present annual financial statements according to IFRS. The disclosures according to IAS 34, point 16, are also found in, in addition to the financial statements and associated notes, other parts of the interim report. The transition to IFRS has also implied that as BMST and MST were and continue to be under the common control of Verdane Capital before and after the business combination on 1 July 2017, the business combination is scoped out of IFRS 3. The Group's accounting policy for common control business combinations is to apply a predecessor value method. In applying this method, BMST also adopts a "controlling party perspective". The assets and liabilities of MST are, therefore, consolidated in the financial statements of BMST applying carrying values from the acquisition undertaken by Verdane Capital on 1 January 2016. This requires recognition of the remaining goodwill on the original acquisition of MST by Verdane Capital on 1 January 2016. There is no recognition of any additional goodwill at 1 July 2017 related to MST. The comparative figures for 2016 in this report are comprised of MST only. The figures related to the income statement for 2017 are comprised of MST for the period January-December, BMST Intressenter AB for the period April-December and of Bellmans for the period July-December.

To illustrate the full year development of the BMST Group, the proforma 12 months January – December 2017 includes figures for MST and Bellmans as if BMST Intressenter AB's acquisition of the subsidiaries had taken place on 31 December 2016. Comparative proforma figures for January – December 2016 in the analysis in this report include figures for MST and Bellmans as if BMST's acquisition of the subsidiaries had taken place on 1 January 2016.

OCTOBER – DECEMBER 2017 (PROFORMA)

- Sales growth due to solid performance by MST. Net sales increased 19.4% to MSEK 228.0 (191.0).
- EBITDA before items affecting comparability (I.A.C) totalled MSEK 10.1 (15.9), reflecting additional costs in 2017 for the new Group structure including Group management (Group CEO and CFO) and implementation of a more conservative bad debt policy. Adjusted for these items EBITDA before I.A.C amounted to MSEK 17.1, an increase of 7.5% compared to same period prior year.
- Operating profit totalled MSEK 1.6, with a margin of 0.7%, including amortization of intangable assets.

JANUARY – DECEMBER 2017 (PROFORMA)

- Sales growth due to solid performance by MST. Net sales increased 16.9% to MSEK 827.9 (708.4).
- EBITDA before I.A.C improved by 18.6% to MSEK 62.4 (52.6), corresponding to a margin of 7.5%.
- EBITDA after I.A.C totalled MSEK 55.1 corresponding to a margin of 6.7%.
- Operating profit totalled MSEK 32.5, with a margin of 3.9%, including amortization of intangable assets.
- Order intake for MST was MSEK 121.1 (MSEK 142.1).

BMST GROUP KEY PERFORMANCE INDICATORS

MSEK	3 Months Oct-Dec 2017	Proforma 3 Months Oct-Dec 2016	Proforma 12 Months Jan-Dec 2017	Proforma 12 Months Jan-Dec 2016
Net sales	228,0	191,0	827,9	708,4
EBITDA before items affecting comparability (I.A.C)	10,1	15,9	62,4	52,6
EBITDA before I.A.C margin, %	4,4%	8,3%	7,5%	7,4%
EBITDA after I.A.C	7,6	15,9	55,1	52,6
EBITDA after I.A.C margin, %	3,3%	8,3%	6,7%	7,4%
Operating profit (EBIT)	1,6		32,5	
Operating margin, %	0,7%		3,9%	
Net income for the period	-1,5		18,0	

Proforma 2016 and 2017 include figures for MST and Bellmans as if BMST's acquisition of the subsidiaries had taken place on 1 January 2016.

CEO COMMENTS

Strong revenue growth during the fourth quarter

During the proforma fourth quarter, the BMST Group continued the positive sales trend experienced during the period January to September 2017. Organic sales growth for the fourth quarter was 19% compared with the same period last year, with MST generating a 76% growth and Bellmans seeing a 7% growth. EBITDA before items affecting comparability for the group was MSEK 10 compared to MSEK 16 in the fourth quarter 2016, corresponding to a margin of 4.4%. The decrease in profits was mainly a result of additional costs for the new Group structure including Group management (Group CEO and CFO) and implementation of a more conservative bad debt policy. Adjusted for these items EBITDA before items affecting comparability was MSEK 17, an increase of 8% compared to same period in the prior year.

For the proforma period January to December, organic sales growth was 17% year-on-year, with MST generating a 49% growth and Bellmans 9%. EBITDA before items affecting comparability for the Group improved by 19% to MSEK 62 (MSEK 53) versus last year, corresponding to a margin of 7.5%, as a result of volume growth and slightly improved margins. EBITDA before items affecting comparability of MSEK 62 is to be compared with MSEK 61 presented to the investors in June 2017. The Group reported a positive cash flow from operating activities totaling MSEK 40 and investments in tangible assets of MSEK -41, in line with expectations.

Operational update

During the fourth quarter, MST invested in five drilling-rigs from a competitor, in order to improve margins going forward by replacing sub-contractors with own machines and personnel. Operationally, we have had a stable fourth quarter, with a high capacity utilization in both MST and Bellmans. As the market continues to be strong for our services, it is from time to time a challenge to find good quality sub-contractors.

Commercial update

The market has been strong during 2017, especially in the Stockholm region, where the BMST Group has approximately 90% of its operations. Several frame agreements with large construction companies were signed during the period, with some of those agreements covering a period of 2 - 3 years. The new Group has been well received in the market, both by customers and personnel. As the Group now has widened its offering, there are improved opportunities to compete for larger and more complex projects.

Outlook

We believe that during 2018, we will continue to deliver sales and profits in line with expectations. Overall, we believe in a strong market for our services during forthcoming years, even though we have received an indication that the market conditions for housing construction could be less favorable going forward. The BMST Group's business plan includes volume and profit growth for the next 3 year period. This target will be achieved both through organic growth and acquisitions.

Håkan Lind
CEO

FINANCIAL COMMENTS

The consolidated accounts for BMST Group have been prepared according to the Annual Accounts Act, RFR 1 Supplementary accounting regulations for groups, and International Financial Reporting Standards (IFRS) and interpretations from IFRS Interpretations Committee (IFRS IC) as adopted by the EU. This interim report is prepared according to IAS 34, Interim Reports and the Annual Accounts Act.

GROUP FINANCIAL PERFORMANCE – Proforma October to December

Revenue and income

Net sales for the period amounted to MSEK 228.0 (191.0), an increase of 19.4% year-on-year. This growth was primarily attributable to MST (75.9%) reflecting a high level of activity in the market and a strong order backlog coming into 2017 (MSEK 169.5). Bellmans reported sales growth of 6.8% during the quarter.

EBITDA before items affecting comparability amounted to MSEK 10.1 (15.9). The decrease in profits was mainly a result of additional costs in the fourth quarter of 2017 compared to the corresponding period 2016, mainly relating to the new Group structure including Group management (Group CEO and CFO), MSEK -3.1, and implementation of a more conservative bad debt policy, MSEK -3.9. Adjusted for these items, EBITDA before items affecting comparability was MSEK 17.1, an increase of 7.5% compared to the fourth quarter 2016. If the bad debt policy had been applied from January 2017, at total of MSEK -2.0 would have reffered to the period January – September and MSEK -1.9 would have been related to the fourth quarter.

Operating profit amounted to MSEK 1.6 including depreciation and amortization of MSEK -6.0 and items affecting comparability of MSEK -2.5. Items affecting comparability include setting up a new public Parent Company and developing a new brand and business strategy for the Group.

Net financial expenses amounted to MSEK -3.2, primarily attributable to interest on the corporate bond loan and net income amounted to MSEK -1.5 for the period.

Cash flow

Cash flow from operating activities amounted to MSEK -0.2, including an MSEK 2.4 increase in working capital. Cash flow from investing activities amounted to MSEK -15.2, reflecting net investments in tangible assets. Cash flow from financing activities amounted to MSEK 2.0, related to proceeds from issues of shares. Cash flow for the period amounted to MSEK -13.4.

Investments

Total investments in tangible assets amounted to MSEK -15.2, mainly related to investments undertaken by MST including investment in five drilling-rigs from a competitor, in order to improve margins going forward by replacing sub-contractors with own machines and personnel.

GROUP FINANCIAL PERFORMANCE – Proforma January to December

Revenue and income

Net sales for the period amounted to MSEK 827.9 (708.4), an increase of 16.9% year-on-year. This growth was primarily attributable to MST (49.2%). It should be noted that MST's order backlog at the beginning of 2016 was very low, which impacted the poor performance in 2016. For 2017, the performance is back to normal with a strong order backlog. Bellmans reported sales growth of 9.3% year-on-year, mainly explained by a continuing strong demand in the market for Bellmans' services.

EBITDA before items affecting comparability amounted to MSEK 62.4 (52.6), reflecting a profit growth of 18.6%. The profit increase compared with last year for both MST and Bellmans was primarily a result of volume growth. Operating profit after items affecting comparability amounted to MSEK 32.5, including depreciation and amortization of MSEK -22.6. Items affecting comparability amounted to MSEK -7.3 and include acquisition costs as well as setting up a new public Parent Company and developing a new brand and business strategy for the Group.

Net financial income amounted to MSEK -7.7, primarily attributable to interest on the corporate bond loan. Net income amounted to MSEK 18.0 for the period and was impacted by income taxes of MSEK -6.8.

Cash flow
Cash flow from operating activities amounted to MSEK 40.1 including an MSEK 2.2 increase in working capital. Cash flow from investing activities amounted to MSEK -165.5, reflecting net investments in tangible assets of MSEK -41.0 and investments in intangible assets relating to the acquisition of Group companies of MSEK -124.5. Cash flow from financing activities amounted to MSEK 182.2, mainly related to proceeds from the bond loan, partly offset by repayments of borrowings. Cash flow for the period amounted to MSEK 56.8.

Investments
Total investments in tangible assets amounted to MSEK -41.0, including investment in five drilling-rigs from a competitor, in order to improve margins going forward by replacing sub-contractors with own machines and personnel.

Net interest bearing debt
Net interest bearing debt as of 31 December 2017 was MSEK 136.2. Net interest bearing debt/EBITDA before items affecting comparability was 2.18.

ORGANISATION
The number of full time equivalents in the Group at the end of December was 167.

FINANCIAL POSITION AND FINANCING
Cash and cash equivalents at the end of the period amounted to MSEK 88.2. Including a non-utilized overdraft facility, available cash and cash equivalents amounted to MSEK 103.2. The Parent Company has issued a corporate bond loan which was listed on the NASDAQ First North bond market, Stockholm on 10 August, 2017. This instrument is listed as BMST 01 with 220 units, with a total outstanding nominal amount of MSEK 220, and has a nominal value of MSEK 1.0 for each unit. The bond carries interest at a floating rate of three months STIBOR plus 6.50 per cent payable quarterly in arrears, and matures in June 2022. The terms and conditions of the bond include an option providing the right to a premature redemption of the loan. This option is reported as a derivative and is classified as a financial asset at fair value through profit or loss. The Group is obliged to report its financial position as described in the terms and conditions of the bond. For the terms and conditions of the corporate bond loan, please see the website of BMST Intressenter AB (publ) available on www.bmstab.se.

FINANCIAL INSTRUMENTS
The terms and conditions of the bond include an option that gives the right to prematurely redeem the loan. The option is accounted for as a derivative amounting to MSEK 1.0 and is classified as a financial asset at fair value through profit or loss.

RISKS AND UNCERTAINTIES
The BMST Group is exposed to several global and Group-specific risks that can impact operations and the financial performance, as well as the financial position of the Group. The foreseeable risks are identified and monitored centrally on the basis of established policies. Risk management in the Group aims at positioning the Group to be able to correctly respond to possible risk events. Below is a non-exhaustive list of risks, without regards to their level of significance, which the Group consider to be material.

- Operating risks
- Market, commercial and political risks
- Financial risks
- Contract risk
- Legal risk
- Credit risks
- Taxation and charges

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD
There are no significant events to report after the reporting period.

OUTLOOK
We believe the strong market for BMST Group’s services will continue in 2018, and that the Group will continue to show progress compared with the previous year.

SEGMENT DEVELOPMENT

MSEK		Proforma	Proforma	Proforma
	3 Months	3 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Total net sales	**2017**	**2016**	**2017**	**2016**
MST	68,6	39,0	237,9	159,4
Bellmans	162,4	152,0	600,3	549,0
Elimination of internal sales	-3,0	0,0	-10,3	0,0
Total net sales	228,0	191,0	827,9	708,4

MSEK		Proforma	Proforma	Proforma
	3 Months	3 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	12 Months	3 Months
EBITDA before items affecting comparability	**2017**	**2016**	**Jan-Dec**	**Oct-Dec**
MST	4,6	5,9	25,0	16,1
Bellmans	5,3	9,9	38,2	36,4
Other	0,2	0,1	-0,8	0,1
Total EBITDA before items affecting comparability	10,1	15,9	62,4	52,6

GROUP FINANCIAL PERFORMANCE – October to December

As mentioned previously in this report, as a consequence of the conversion to IFRS, the comparative figures for 2016 are comprised of MST only. The figures related to the income statement for 2017 are comprised of MST for the period January-December, BMST Intressenter AB for the period April-December and of Bellmans for the period July-December. The period October to December 2017 includes figures for MST and Bellmans. The period October to December 2016 includes figures for MST only.

Revenue and income

Net sales for the period amounted to MSEK 228.0 compared to MSEK 39.0 in the same period in the previous year, mainly as a result of Bellmans being included in the fourth quarter 2017, but not in the corresponding period in the prior year. EBITDA before items affecting comparability amounted to MSEK 10.1 compared to MSEK 5.9 in the same period in the previous year. The increase in profits was mainly a result of Bellmans being included in the fourth quarter 2017, but not in the corresponding period in the prior year. Operating profit after items affecting comparability amounted to MSEK 1.6, including depreciation and amortization of MSEK -6.0 and items affecting comparability of MSEK -2.5. Items affecting comparability include setting up a new public Parent Company and developing a new brand and business strategy for the Group. Net financial expenses amounted to MSEK -3.2, primarily attributable to interest on the corporate bond loan. Net income amounted to MSEK -1.5 for the period.

Cash flow and investments

Cash flow from operating activities amounted to MSEK -0.2. Cash flow from investing activities amounted to MSEK -15.2, reflecting net investments in tangible assets. Cash flow from financing activities amounted to MSEK 2.0, related to proceeds from issues of shares. Cash flow for the period amounted to MSEK -13.4. Total investments in tangible assets amounted to MSEK -15.2, mainly related to investments undertaken by MST (acquired drilling-rigs from a competitor, in order to improve margins going forward by replacing sub-contractors with own machines and personal).

GROUP FINANCIAL PERFORMANCE –January to December

As mentioned previously in this report, as a consequence of the convertion to IFRS, the comparative figures for 2016 are comprised of MST only. The figures related to the income statement for 2017 is comprised of MST for the period January-December, BMST Intressenter AB for the period April-December and of Bellmans for the period July-December.

Revenue and income

Net sales for the period amounted to MSEK 542.6 compared to MSEK 159.4 in the same period in the previous year, mainly as a result of Bellmans being included six months in 2017, but not in the corresponding period in the prior year. EBITDA before items affecting comparability amounted to MSEK 39.2 compared to MSEK 16.1 the same period previous year. The increase in profits was mainly a result of Bellmans being included six months in 2017 but not in the corresponding period prior year. Operating profit after items affecting comparability amounted to MSEK 14.6, including depreciation and amortization of MSEK -17.3 and items affecting comparability of MSEK -7.3. Items affecting comparability include acquisition costs as well as setting up a new public Parent Company and developing a new brand and business strategy for the Group. Net financial income amounted to MSEK -8.1, mostly attributable to interest on the corporate bond loan. Net income amounted to MSEK 3.8 for the period and was impacted by income taxes of MSEK -2.7.

Cash flow and investments

Cash flow from operating activities amounted to MSEK 22.2. Cash flow from investing activities amounted to MSEK -142.8, reflecting net investments in tangible assets of MSEK -34.3 and investments in intangible assets relating to the acquisition of Group companies of MSEK -108.5. Cash flow from financing activities amounted to MSEK 206.2, mainly related to proceeds from the bond loan, partly offset by repayments of borrowings. Cash flow for the period amounted to MSEK 2.6. Total investments in tangible assets amounted to MSEK 34.3, including investments in five drilling-rigs from a competitor, in order to improve margins going forward by replacing sub-contractors with own machines and personnel.

OTHER INFORMATION

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

CERTIFIED ADVISER
Pareto Securities AB
Jonas Karlsson
+46 (0) 70 81 77 888

CONTACT INFORMATION

Håkan Lind	Roger Axelsson
CEO	CFO
Hakan@Bellmans.se	Roger.axelsson@upplandskaberg.se
+46 (0) 70 669 8028	+46 (0) 70 874 5041

FINANCIAL CALENDAR
Annual report 2017, to be released on 26 April 2018
Interim report January – March 2018, to be released on 25 May 2018

ASSURANCE
The Board of Directors and CEO hereby assure that this year-end report January – December 2017 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 22 February 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

MSEK	Note	3 Months Oct-Dec 2017	3 Months Oct-Dec 2016	**) 12 Months Jan-Dec 2017	12 Months Jan-Dec 2016	*) Proforma 12 Months Jan-Dec 2017
Net sales		228,0	39,0	542,6	159,4	827,9
Other operating income		0,4	1,6	2,7	1,6	5,5
		228,4	40,6	545,3	161,0	833,4
Operating expenses						
Raw materials and sub-contractors		-178,1	-17,1	-404,7	-83,8	-647,6
Other external expenses		-13,3	-5,6	-32,6	-15,0	-34,7
Personnel costs		-29,4	-11,9	-75,5	-46,0	-95,4
Depreciation/amortization and write-downs of tangible and intangible fixed assets		-6,0	-3,0	-17,3	-11,2	-22,6
Other operating expenses		0,0	-0,1	-0,6	-0,1	-0,6
Total operating expenses		-226,8	-37,7	-530,7	-156,1	-800,9
Operating profit		**1,6**	**2,9**	**14,6**	**4,9**	**32,5**
Financial income and expenses	4	-3,2	-0,2	-8,1	-0,9	-7,7
Income after financial items		**-1,6**	**2,7**	**6,5**	**4,0**	**24,8**
Taxes		0,1	-0,7	-2,7	-1,0	-6,8
Net income for the period		**-1,5**	**2,0**	**3,8**	**3,0**	**18,0**
Net income is attributable to:						
- shareholders of the Parent Company		-1,5	2,0	3,8	3,0	
- non-controlling interests		0,0	0,0	0,0	0,0	
Earnings per share (SEK)		-1,5	12,0	3,7	18,1	
Number of shares in thousands		1 014,0	166,0	1 014,0	166,0	
Statement of other comprehensive income						
Net income for the period		-1,5	2,0	3,8	3,0	
Other comprehensive income						
Other comprehensive income for the period		0,0	0,0	0,0	0,0	
Total comprehensive income for the period		**-1,5**	**2,0**	**3,8**	**3,0**	
Total comprehensive income is attributable to:						
- shareholders of the Parent Company		-1,5	2,0	3,8	3,0	
- non-controlling interests		0,0	0,0	0,0	0,0	

*) Proforma 12 months Jan-Dec 2017 includes figures for MST and Bellmans as if BMST's acquisition of the Bellmans subsidiaries had taken place on 31 December 2016.
**) 12 months Jan-Dec 2017 includes figures for the Parent Company from 10 April 2017 (which was the date of incorporation of BMST Intressenter AB), figures from MST from January 2017 and figures from Bellmans from the date of BMST Intressenter AB's acquisition of the Bellmans subsidiaries 30 June 2017.

GROUP – CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MSEK	Note	31 Dec 2017	31 Dec 2016	1 Jan 2016
Assets				
Intangible assets	6, 7	147,1	1,4	1,9
Tangible assets		116,7	38,4	41,8
Financial fixed assets	4	3,4	0	0
Total fixed assets		**267,2**	**39,8**	**43,7**
Inventories		7,6	5,1	5,3
Current receivables		134,7	40,1	39,5
Cash and cash equivalents		88,2	2,6	5,5
Total current assets		**230,5**	**47,8**	**50,3**
TOTAL ASSETS		**497,7**	**87,6**	**94,0**
Equity and liabilities				
Equity		76,3	24,3	21,2
Non-current liabilities	4, 8, 9	278,1	21,8	30,7
Current liabilities		143,3	41,5	42,1
TOTAL EQUITY AND LIABILITIES		**497,7**	**87,6**	**94,0**

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

Amounts in MSEK	Attributable to owners of BMST Intressenter AB			
	Share capital	Premium	Retained earnings	Total equity
Opening balance 1 January 2016***)	0,0	0,2	21,1	21,3
Net income for the period	0,0	0,0	3,0	3,0
Other comprehensive income	0,0	0,0	0,0	0,0
Total comprehensive income for the period	**0,0**	**0,0**	**3,0**	**3,0**
Transactions with owners in their capacity as owners	0,0	0,0	0,0	0,0
Balance at 31 December 2016	**0,0**	**0,2**	**24,1**	**24,3**
Net income for the period	0,0	0,0	3,8	3,8
Other comprehensive income	0,0	0,0	0,0	0,0
Total comprehensive income for the period	**0,0**	**0,0**	**3,8**	**3,8**
2) New share issue	1,0	31,4	0,0	32,4
2) Shareholders contribution	0,0	15,8	0,0	15,8
Transactions with owners in their capacity as owners	**1,0**	**47,2**	**0,0**	**48,2**
Balance at 31 December 2017	**1,0**	**47,4**	**27,9**	**76,3**
Balance at 30 September 2017	**1,0**	**45,4**	**29,4**	**75,8**
Net income for the period	0,0	0,0	-1,5	-1,5
Other comprehensive income	0,0	0,0	0,0	0,0
Total comprehensive income for the period	**0,0**	**0,0**	**-1,5**	**-1,5**
2) New share issue	0,0	2,0	0,0	2,0
2) Shareholders contribution	0,0	0,0	0,0	0,0
Transactions with owners in their capacity as owners	**0,0**	**2,0**	**0,0**	**2,0**
Balance at 31 December 2017	**1,0**	**47,4**	**27,9**	**76,3**

***) As BMST and MST were under the common control of Verdane Capital before and after the business combination on 1 July 2017, the business combination is scoped out of IFRS 3. The Group's accounting policy for common control business combinations is to apply a predecessor value method. In applying this method, BMST also adopts a "controlling party perspective". The assets and liabilities of MST are therefore, consolidated in the financial statements of BMST using carrying values from the acquisition made by Verdane Capital on 1 January 2016. This requires recognition of the remaining goodwill on the original acquisition of MST by Verdane Capital at 1 January 2016. There is no recognition of any additional goodwill at 1 July 2017.

GROUP – CONDENSED STATEMENT OF CASH FLOW

MSEK	3 Months Oct-Dec 2017	3 Months Oct-Dec 2016	**) 12 Months Jan-Dec 2017	12 Months Jan-Dec 2016	*) Proforma 12 Months Jan-Dec 2017
Cash flow from operating activities					
Operating profit	**1,6**	**2,9**	**14,6**	**4,9**	**32,5**
Adjustments for non-cash items:					
Depreciation/amortization	6,0	3,0	17,3	11,3	22,6
Other non-cash items	-0,3	-0,8	-2,2	-0,2	-4,0
Interest received and paid	-3,7	-0,2	-7,7	-0,9	-7,3
Income taxes paid	-1,4	-1,8	-1,5	0,4	-1,5
Cash flow from operating activities before changes in working capital	**2,2**	**3,1**	**20,5**	**15,5**	**42,3**
Changes in working capital	-2,4	0,7	1,7	-1,9	-2,2
Cash flow from operating activities	**-0,2**	**3,8**	**22,2**	**13,6**	**40,1**
Cash flow from investing activities					
Investments in intangible assets	0,0	0,0	0,0	0,0	-124,5
Payment for acquisition of subsidiaries, net of cash acquired	0,0	0,0	-108,5	0,0	0,0
Net investments in tangible assets	-15,2	-0,7	-34,3	-7,1	-41,0
Cash flow from investing activities	**-15,2**	**-0,7**	**-142,8**	**-7,1**	**-165,5**
Cash flow from financing activities					
Proceeds from issues of shares	2,0	0,0	3,1	0,0	3,1
Proceeds from shareholders contribition	0,0	0,0	13,9	0,0	13,9
Proceeds from borrowings	0,0	0,0	220,0	0,0	220,0
Payment of borrowing costs	0,0	0,0	-8,0	0,0	-8,0
Repayment of borrowings	0,0	-4,4	-22,8	-9,4	-46,8
Cash flow from financing activities	**2,0**	**-4,4**	**206,2**	**-9,4**	**182,2**
Cash flow for the period	**-13,4**	**-1,3**	**85,6**	**-2,9**	**56,8**
Cash and cash equivalents at the start of the period	101,6	3,9	2,6	5,5	31,4
Cash and cash equivalents at the end of the period	**88,2**	**2,6**	**88,2**	**2,6**	**88,2**

*) Proforma 12 months Jan-Dec 2017 includes figures for MST and Bellmans as if BMST's acquisition of the Bellmans subsidiaries had taken place on 31 December 2016.

**) 12 months Jan-Dec 2017 includes figures for the Parent Company from 10 April 2017 (which was the date of incorporation of BMST Intressenter AB), figures from MST from January 2017 and figures from Bellmans from the date of BMST's acquisition of the Bellmans subsidiaries 30 June 2017.

PARENT COMPANY – CONDENSED STATEMENT OF INCOME

MSEK	3 Months Oct-Dec 2017	9 Months Apr-Dec 2017
Net sales	3,2	4,8
Other operating income	0,0	0,0
	3,2	4,8
Operating expenses		
Raw materials and sub-contractors	0,0	0,0
Other external expenses	-5,5	-8,2
Personnel costs	0,0	0,0
Depreciation/amortization and write-downs of tangible and intangible fixed assets	0,0	0,0
Other operating expenses	0,0	0,0
Total operating expenses	-5,5	-8,2
Operating profit	**-2,3**	**-3,4**
Internal interest income	0,7	1,2
External interest expenses	-3,8	-7,8
Other financial items	-0,4	-0,8
Income after financial items	**-5,8**	**-10,8**
Deffered tax	1,3	2,4
Net income for the period	**-4,5**	**-8,4**

PARENT COMPANY – CONDENSED STATEMENT OF OTHER COMPREHENSIVE INCOME

Statement of other comprehensive income		
Net income for the period	-4,5	-8,4
Other comprehensive income		
Other comprehensive income for the period	0,0	0,0
Total comprehensive income for the period	**-4,5**	**-8,4**

PARENT COMPANY – CONDENSED STATEMENT OF FINANCIAL POSITION

MSEK	Note	31 Dec 2017
Assets		
Intangible assets		0,0
Tangible assets		0,5
Financial fixed assets	6, 8	368,6
Total fixed assets		**369,1**
Inventories		0,0
Current receivables		2,8
Cash and cash equivalents		38,6
Total current assets		**41,4**
TOTAL ASSETS		**410,5**
Equity and liabilities		
Equity		
Restricted equity		
Share capital		1,0
Non-restricted equity		
Share premium reserve		72,0
Retained earnings		70,1
Net result for the year		-8,4
Total equity		**134,7**
Non-current liabilities	8, 9	
Bond loan		212,8
Other non-current liabilites		39,0
Total non-current liabilities		**251,8**
Current liabilities		
Accounts payable		0,2
Liabilities to Group companies		0,2
Other current liabilities		19,8
Accrued expenses and deffered income		3,8
Total current liabilities		**24,0**
TOTAL EQUITY AND LIABILITIES		**410,5**

PARENT COMPANY – CONDENSED STATEMENT OF CASH FLOW

MSEK	3 Months Oct-Dec 2017	9 Months Apr-Dec 2017
Cash flow from operating activites		
Operating profit	**-2,3**	**-3,4**
Adjustments for non-cash items:		
Depreciation/amortization	0,0	0,0
Other non-cash items	0,0	0,0
Interest received and paid	-3,3	-6,6
Income taxes paid	0,0	0,0
Cash flow from operating activities before changes in working capital	**-5,6**	**-10,0**
Changes in working capital	2,4	1,9
Cash flow from operating activities	**-3,2**	**-8,1**
Cash flow from investing activities		
Payment for acquisition of subsidiaries	0,0	-129,3
Net investments in tangible assets	-0,5	-0,5
Loans to subsidiary	-14,4	-52,4
Cash flow from investing activities	**-14,9**	**-182,2**
Cash flow from financing activities		
Proceeds from issues of shares	2,0	3,0
Proceeds from shareholders contribition	0,0	13,9
Proceeds from borrowings	0,0	220,0
Payment of borrowing costs	0,0	-8,0
Repayment of borrowings	0,0	0,0
Cash flow from financing activities	**2,0**	**228,9**
Cash flow for the period	**-16,1**	**38,6**
Cash and cash equivalents at the start of the period	54,7	0,0
Cash and cash equivalents at the end of the period	**38,6**	**38,6**

NOTES TO THE FINANCIAL INFORMATION

1 Summary of significant accounting policies
Significant accounting policies applied in preparing these consolidated financial statements are described in the following. 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 BMST 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.

These consolidated financial statements constitute the first consolidated financial statements of BMST Group to be prepared in accordance with IFRS. The consolidated financial statements have been prepared using the cost method except for financial instruments that are valued at fair value through profit or loss.

The preparation of financial statements in compliance with IFRS requires the use of critical accounting estimates. Management is also required to make certain judgements in applying the Group's accounting policies.

The Parent Company applies Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. Under RFR 2, the Parent Company is required to apply all EU-adopted IFRS and interpretations in the interim report for the legal entity insofar as this is possible under the Annual Accounts Act, the Pension Obligations Vesting Act and with regard to the relationship between accounting and taxation.

The preparation of financial statements in compliance with RFR 2 requires the use of critical accounting estimates. Management is also required to make certain judgements in applying the Parent Company's accounting policies.

The Parent Company applies other accounting policies than the Group in those cases which are indicated below:

Formats
The format prescribed in the Swedish Annual Accounts Act is used for the income statement and balance sheet. This means that different terms are used compared with the consolidated financial statements, primarily with regard to financial income and expense, and equity.

Investments in Group companies
Investments in subsidiaries are stated at cost less any impairment. Cost includes acquisition-related costs and any additional considerations.

When there is an indication that investments in a Group company are impaired an estimate is made of the recoverable amount. If the recoverable amount is less than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the item Income from investments in Group companies.

Financial instruments
IAS 39 is not applied in the parent company and financial instruments are measured at cost. In subsequent periods financial assets which have been acquired with the intention of being held for the short term will be recognised at the lower of cost or market value in accordance with the lower of cost or market method.

Leases
All leases are accounted for as operating leases regardless of whether the contracts constitute finance or operating leases. Lease payments are expensed on a straight-line basis over the term of the lease.

Appropriations
Group contributions are recognised as appropriations.

1.1.1 New standards and interpretations which have not yet been applied by the Group

A number of new standards and interpretations will become effective for financial years beginning on or after 1 January 2018 and have not been applied in preparing these financial statements. The following is a preliminary assessment of effects of those standards which are deemed to be relevant for the Group:

IFRS 9 Financial Instruments deals with the classification, measurement and recognition of financial assets and liabilities. It replaces those parts of IAS 39 which relate to the classification and measurement of financial instruments. IFRS 9 retains a mixed approach to measurement but simplifies the approach in some respects. There will be three measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. How an instrument should be classified depends on the company's business model and the characteristics of the instrument. Investments in equity instruments should be measured at fair value through profit or loss but there is also an option of measuring the instrument at fair value through other comprehensive income upon initial recognition. In this case no reclassification to profit or loss is made when the instrument is sold. For financial liabilities the methods of classification and measurement are not changed except in the case where a liability is measured at fair value through profit or loss using the fair value option. IFRS 9 also introduces a new model for calculating the provision for credit losses that is based on expected credit losses. The new model for calculating the provision for credit losses is based on expected credit losses, rather than incurred credit losses in accordance with IAS 39, which may result in earlier recognition of credit losses. The model is applicable for financial assets at amortised cost, debt instruments at fair value through other comprehensive income, contract assets in accordance with IFRS 15 Revenue from Contracts with Customers, lease receivables, loans and certain financial guarantees. For financial assets with no significant financing component, such as normal trade and lease receivables, there exist simplified rules under which the company can recognise a provision covering the whole term of the receivable directly and therefore does not need to identify when a significant deterioration of creditworthiness has occurred. The standard must be applied for financial years beginning on 1 January 2018. Early application is permitted. The Group's assessment is that its financial position and results will be affected to a minor extent by the introduction of IFRS 9, as the application of IFRS 9 for the Group does not carry any significant changes compared with the application of IAS 39.

IFRS 15 Revenue from Contracts with Customers regulates the recognition of revenue. The principles on which IFRS 15 is based are intended to give users of financial statements more valuable information about a company's revenue. Under the expanded disclosure requirements, information on the type of revenue, date of settlement, uncertainties associated with the recognition of revenue and cash flows attributable to the company's customer contracts must be disclosed. Under IFRS 15, revenue should be recognised when a customer receives control over the sold good or service and is able to use or obtains a benefit from the good or service. IFRS 15 replaces IAS 18 Revenue and IAS 11 Construction Contracts and the related SIC and IFRIC interpretations. IFRS 15 becomes effective from 1 January 2018. Early application is permitted. In 2017 the Group evaluated what effects the standard will have on the Group's results and financial position. The Group has made an analysis with the aim of identifying areas where a potential difference could exist, which has then been used as a basis for the implementation of the standard. The Group's assessment is that the introduction of IFRS 15 will have a minor impact on the Group's financial position and results, as the application of the standard for the Group does not differ significantly from the application of the current IAS.

IFRS 16 Leases. In January 2016 IASB published a new lease standard that will replace IAS 17 Leases and the related interpretations, IFRIC 4, SIC-15 and SIC-27. The standard requires that assets and liabilities attributable to all leases be recognised in the balance sheet, with a few exceptions. This accounting treatment is based on the view that the lessee has a right to use an asset during a specific period of time as well as an obligation to pay for this right. For the lessor the accounting treatment will remain essentially unchanged. The standard is effective for financial years beginning on or after 1 January 2019. Early application is permitted. The EU has not yet adopted the standard. In 2017 the Group initiated the work of evaluating what effects the standard will have on the Group's results and financial position. The Group has made an initial analysis with the aim of identifying areas where a potential difference could exist, which has then been used as a basis for the implementation of the standard in 2018. According to the Group's preliminary evaluation, IFRS 16 will likely have the effect that the Group's leases for premises will be recognised in the balance sheet as rights to control the use of an asset. The corresponding amount will initially be recognised as a financial liability.

No other IFRS or IFRIC interpretations which have not yet become effective are expected to have any material impact on the Group.

1.2 Consolidation

1.2.1 Fundamental accounting policies

Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration paid for the acquisition of a subsidiary comprises the fair value of the transferred assets, liabilities incurred to previous owners of the acquired entity and the shares issued by the Group. The consideration also includes the fair value of all liabilities that are a consequence of a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. For each acquisition, i.e. on an acquisition by acquisition basis, the Group determines whether to recognise a non-controlling interest in the acquired entity at fair value or at the interest's proportional share of the carrying amount of the acquired entity's identifiable net assets.

Acquisition-related costs are charged to expense as incurred.

Goodwill is initially measured at the amount by which the total consideration and any non-controlling interests at the acquisition date exceeds the fair value of identifiable acquired net assets. If the consideration is lower than the fair value of the acquired entity's net assets the difference is recognised directly in the income statement.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20 per cent and 50 per cent of the voting rights.

Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

The carrying amount is then increased or decreased to take account of the Group's share of the profit or loss of its associates after the acquisition date. The Group's share of the profit or loss is included in the consolidated profit or loss. Dividends from associates are recognised as a decrease in the carrying amount of the investment.

When the Group's share of losses of an associate equals or exceeds its investment in the associate (including all non-current receivables which in reality constitute a part of the Group's net investment in the associate), the Group does not recognise any further losses unless it has incurred obligations to do so or made payments on behalf of the associate.

Unrealised gains arising from transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. The accounting policies for associates have been adjusted, if necessary, to ensure compliance with the Group's accounting policies.

1.3 Segment reporting

Operating segments are reported in a way that is consistent with the internal reports submitted to the chief operating decision maker. BMST Group's senior management team, which consists of the Chief Executive Officer, Chief Financial Officer and the managing directors of the subsidiaries, constitutes the chief operating decision maker for BMST Group and evaluates the Group's financial position and results, and makes strategic decisions. Management has defined the operating segments based on the information that is discussed in the senior management team and used as a basis for decisions on the allocation of resources and evaluation of results.

Senior management assesses the operations based on the two operating segments MST and Bellmans as well as other segment. Senior management mainly uses EBITDA before items affecting comparability in assessing the Group's results.

1.4 Translation of foreign currency

Functional currency and reporting currency

The various entities in the Group have the local currency as their functional currency, as the local currency has been defined as the currency of the primary economic environment in which each entity operates. Swedish kronor (SEK), the functional and reporting currency of the parent company and Group, are used in the consolidated financial statements.

Transactions and balances

Transactions in foreign currency are translated to the functional currency at transaction date exchange rates. Foreign exchange gains and losses arising from such transactions and upon translation of monetary assets and liabilities in foreign currency at closing rates are recognised in profit or loss.

Foreign exchange gains and losses attributable to loans, and cash and cash equivalents are accounted for in profit or loss as financial income or expense. All other foreign exchange gains and losses are recognised in the items Other operating expenses and Other operating income in the profit or loss.

1.5 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and comprises the amounts received for sold goods and services less discounts and value-added tax.

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, as described in the following.

Sale of goods

The Group's sale of goods mainly comprises the sale of materials in connection with the performance of service contracts.

Sales of goods are recognised when significant risks and benefits are transferred from the seller to the buyer in accordance with the terms and conditions of sale. Sales are recognised net of value-added tax and discounts. Revenue from the Group's sale of goods is recognised when the following conditions have been met:

- The Group has transferred to the buyer the significant risks and benefits associated with ownership of the goods.
- The Group does not retain any such involvement in the day-to-day management as is normally associated with ownership and does not exercise effective control over the sold goods.
- The revenue can be reliably measured.
- It is probable that the economic benefits associated with the transaction will accrue to the Group.
- The costs that have been incurred or are expected to be incurred in consequence of the transaction can be reliably estimated.

Sale of services

The Group provides transport and machinery services as well as services in the areas of rock blasting, rock drilling and excavation.

For time and materials service contracts, revenue is recognised in the period in which the services are performed.

Interest income

Interest income is recognised by applying the effective interest method.

1.6 Leases

Leases in which a significant share of the risks and benefits of ownership are retained by the lessor are classified as operating leases (office premises). Payments made during the lease term (after deducting for any incentives from the lessor) are recognised as an expense in the income statement on a straight-line basis over the lease term.

Leases of property, plant and equipment in which the economic risks and benefits associated with ownership have essentially been transferred to the Group are classified as finance leases (lease of work machines). At the beginning of the lease term finance leases are recognised at the lower of the fair value of the leased asset and the present value of the minimum lease payments. The corresponding liabilities, less financial expense, are included in the balance sheet items Non-current liabilities and Current liabilities. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. In the profit or loss the finance charge is distributed over the term of the lease so that an amount corresponding to a fixed interest rate for the liability reported in each accounting period is charged to earnings in each accounting period. Non-current assets held under a finance lease are written off over the useful life or the term of lease, whichever is shorter, unless it can be established with reasonable certainty that ownership will be transferred to the lessee at the end of the lease term.

1.7 Business combinations

The acquisition method is applied in accounting for the Group's business combinations, regardless of whether the acquisition comprises equity interests or other assets. The consideration paid for the acquisition of a subsidiary comprises the fair values of the transferred assets, liabilities incurred by the Group to previous owners, shares issued by the Group, assets or liabilities resulting from a contingent consideration arrangement and previous equity interests in the acquired entity. Identifiable assets acquired, liabilities assumed and contingent liabilities assumed in a business combination are, with a few exceptions, initially measured at fair value at the acquisition date. For each acquisition, i.e. on an acquisition by acquisition basis, the Group determines whether to recognise a non-controlling interest in the acquired entity at fair value or at the interest's proportional share of the carrying amount of the acquired entity's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill refers to the amount by which the transferred consideration, any non-controlling interest in the acquired entity, and the fair value at the acquisition date of previous equity interests in the acquired entity (if the business combination was realised in stages) exceeds the fair value of identifiable acquired net assets. If the amount is less than the fair value of the acquired net assets, in case of a bargain purchase, the difference is recognised directly in the income statement. In cases where all or part of the consideration is deferred, the future payments should be discounted to present value at the acquisition date. The discount rate is the company's marginal borrowing rate, which is the interest rate which the company would have paid for loan financing over the same period and on similar terms. A contingent consideration is classified either as equity or as a financial liability. Amounts classified as financial liabilities are remeasured at fair value in each period. Any remeasurement gains and losses are recognised in profit or loss. If the business combination is achieved in stages the previously held equity interest in the acquired entity is remeasured at its fair value at the acquisition date. Any gain or loss resulting from the remeasurement is recognised in profit or loss.

1.8 Employee benefits

Short-term benefits

Liabilities for salaries and benefits, including non-monetary benefits and paid leave which are expected to be settled within 12 months of the end of the financial year, are recognised as current liabilities at the undiscounted amount that is expected to be paid when the liabilities are settled. The cost is recognised as the services are performed by the employees. The liability is recognised as an employee benefit obligation in the statement of financial position.

Post-employment benefits

The Group companies only have defined contribution pension plans. Defined contribution pension plans are post-employment benefit plans under which the Group pays fixed contributions into a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions are recognised as an expense in profit or loss for the period as they are earned through the employees' performance of services for the company during the period.

1.9 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except when the tax refers to items which are recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or equity.

Current tax is calculated on the taxable profit for the period at the applicable tax rate. The current tax expense is calculated based on the tax rules that have been enacted or substantively enacted at the balance sheet date in those countries where the parent company and its subsidiaries operate and generate taxable revenue. Management regularly evaluates claims made in tax returns which relate to situations where the applicable tax rules are subject to interpretation and, where this is deemed appropriate, makes provisions for amounts which will probably be payable to the tax authority.

Deferred tax is recognised for all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements. A deferred tax liability is not recognised if it is incurred as a result of initial recognition of goodwill. Nor is deferred tax recognised if it is incurred as a result of a transaction that constitutes the initial recognition of an asset or liability which is not a business combination and which at the time of the transaction affects neither the accounting profit nor the tax profit. Deferred income tax is calculated by applying tax rates (and tax laws) that have been enacted or announced at the balance sheet date and that are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be used.

Deferred tax assets and liabilities are offset when there is a legal right of set-off for the tax assets and liabilities concerned, and when the deferred tax assets and liabilities pertain to taxes levied by the same tax authority and refer to either the same taxable entity or different taxable entities, where there is an intention to settle the balances through a net payment.

1.10 Intangible assets

Goodwill

Goodwill arises on the acquisition of subsidiaries and refers to the amount by which the consideration, any non-controlling interest in the acquired entity and the fair value of the previous equity interest in the acquired entity at the acquisition date exceeds the fair value of identifiable net assets. If the amount is less than the fair value of the acquired net assets of the subsidiary, in case of a bargain purchase, the difference is recognised directly in the income statement.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill has been allocated represents the lowest level in the Group at which the goodwill is monitored for internal management purposes. Goodwill is monitored at operating segment level.

Goodwill is tested for impairment at least annually or more frequently if there are events or changes in circumstances which indicate potential impairment. The carrying amount of the cash-generating unit to which the goodwill is attributed is compared with the recoverable amount, which is defined as the higher of value in use and fair value less selling expenses. Any impairment loss is expensed immediately and cannot be reversed.

Trademarks

Trademarks which have been acquired through a business combination are recognised at fair value at the acquisition date. Trademarks have a definite useful life and are recognised at cost less accumulated amortization and impairment.

Order backlog

Order backlogs which have been acquired through a business combination are recognised at fair value at the acquisition date. Order backlogs have a definite useful life and are recognised at cost less accumulated amortization and impairment.

Useful lives of the Group's intangible assets

Trademarks	3 years
Order backlogs	0.5 years

1.11 Property, plant and equipment

Property, plant and equipment are recognised at cost less depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the purchase and for bringing the asset to its place of use and preparing it for use in accordance with the purpose of the purchase.

Any additional expenditure is added to the carrying amount of the asset or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost can be reliably measured. The carrying amount of a replaced component is derecognised from the statement of financial position. All other forms of repairs and maintenance are expensed in the income statement in the periods in which they are incurred.

Assets are depreciated on a straight-line basis, less the estimated residual value, over the estimated useful life. Property, plant and equipment which are held under a finance lease are depreciated over the useful life or the term of lease, whichever is shorter.

The useful lives are as follows:

Work machinery	5-7 years
Vehicles	5 years
Equipment, tools and installations	5-7 years

Residual values and useful lives of assets are tested at the end of each reporting period and adjusted where necessary. An asset's carrying amount is written down to the recoverable amount immediately if the carrying amount exceeds its estimated recoverable amount. Gains and losses on the sale of an item of property, plant and equipment is determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognised in Other operating income or Other operating expenses in the income statement.

1.12 Impairment of non-financial assets

Intangible assets with indefinite useful lives (goodwill) are not amortised but are tested for impairment annually. Assets which are depreciated or amortised are tested for impairment when an event or change of circumstance indicates that the carrying amount may not be recoverable. The difference between the carrying amount and the recoverable amount is recognised as an impairment loss. The recoverable amount is the higher of the fair value of the asset less costs to sell and value in use. In testing for impairment, assets are grouped to the lowest levels at which there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) which have previously been written down an impairment test is made at each balance sheet date to determine if a reversal is required.

1.13 Financial instruments – general information

Financial instruments are included in many different balance sheet items and are described below.

1.13.1 Classification

The Group classifies its financial assets and liabilities into the following categories: Financial assets at fair value through profit or loss, loans and receivables, and other financial liabilities. The classification depends on the purpose for which the financial asset or liability was acquired. See Notes 4 and 9 for disclosures on each type of financial asset and financial liability. The Group classifies financial assets at fair value through profit or loss if they are acquired principally for the purpose of selling in the short term, ie are held for trading. They are presented as current assets if they are expected to be sold within 12 months after the end of the reporting period; otherwise they are presented as non-current assets.

Loans and receivables

Loans and receivables are financial assets which are not derivatives, have fixed or determinable payments, and are not listed on an active market. They are included in current assets, with the exception of items maturing later than twelve months from the balance sheet date, which are classified as non-current assets. The Group's loans and receivables comprise trade receivables, other current receivables, accrued income, and cash and cash equivalents.

Other financial liabilities

Bonds, non-current liabilities to credit institutions, non-current finance lease liabilities, current finance lease liabilities, current liabilities to credit institutions, overdraft facilities, trade payables as well as other current liabilities and accrued expenses that are financial instruments are classified as other financial liabilities.

1.13.2 Recognition, derecognition and measurement

Financial instruments are recognised initially at fair value plus transaction costs. Financial assets are derecognised from the statement of financial position when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred essentially all risks and benefits associated with ownership. Financial liabilities are derecognised from the statement of financial position when the obligation arising from the agreement has been fulfilled or otherwise been extinguished.

After the acquisition date, loans and receivables as well as other financial liabilities are stated at amortised cost by applying the effective interest method. Financial assets at fair value through profit or loss are recognised at fair value after the acquisition date. Gains and losses arising from changes in fair value are recognised in the income statement as financial income and expenses.

Detailed information on the determination of the fair values of financial instruments is provided in Note 4.

1.13.3 Offset of financial instruments

Financial assets and liabilities are offset and the net amount presented in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and an intention to settle them on a net basis or to realise the asset and settle the liability simultaneously.

1.13.4 Impairment of financial instruments

Assets recognised at amortised cost

At the end of each reporting period the Group assesses whether there is objective evidence of impairment of a financial asset or group of financial assets. A financial asset or group of financial assets is impaired and is written down only if there is objective evidence of impairment as a consequence of one or several events occurring after the initial recognition of the asset and this event affects the estimated future cash flows for the financial asset or group of financial assets which can be reliably measured.

The impairment loss is calculated as the difference between the carrying amount of the asset and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The asset's carrying amount is written down and the impairment loss is recognised in the consolidated statement of comprehensive income in the item Other external expenses. If the impairment is reduced in a subsequent period and this can objectively be attributed to an event occurring after recognition of the impairment loss, the reversal of the previously recognised impairment loss is recognised in the consolidated income statement in the item Other external expenses.

1.14 Inventories
Inventories are recognised, by applying the first in, first out principle, at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less any applicable variable selling expenses.

1.15 Trade receivables
Trade receivables are financial instruments which consist of amounts due from customers for goods or services sold in the ordinary course of business. If payment is expected within one year or earlier, they are classified as current assets. If not, they are recognised as non-current assets.

Trade receivables are initially stated at cost and subsequently at amortised cost by applying the effective interest method, less any provisions for impairment.

1.16 Cash and cash equivalents
In the statement of financial position as well as the statement of cash flows, cash and cash equivalents comprise cash and bank deposits.

1.17 Share capital
Ordinary shares are classified as equity. Transaction costs which are directly attributable to the issue of new ordinary shares are recognised, net of tax, in equity less a deduction from the proceeds of the issue.

1.18 Borrowings
Borrowings are initially recognised at fair value, net of transaction costs. Subsequently, borrowings are recognised at amortised cost and any difference between the amount received (net of transaction costs) and the amount repayable is recognised in the income statement over the term of the loan by applying the effective interest method.

The liability is classified as current in the statement of financial position if the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Borrowings are derecognised from the statement of financial position when the obligations have been discharged, cancelled or expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss for the period.

1.19 Trade payables
Trade payables are financial instruments and refer to obligations to pay for goods and services purchased from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if they fall due within one year. If not, they are recognised as non-current liabilities.

1.20 Statement of cash flows
The statement of cash flows is prepared using the indirect method. The reported cash flow only includes transactions involving incoming or outgoing payments.

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 in place.

Company management deem that there is no significant information or 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 the segments and major activities:

BMST's Group management comprised of the Chief Executive Officer, Chief Financial Officer and the managing directors of the subsidiaries is the equivalent highest operational decision-maker for BMST Group and evaluates the Group's financial position and results and undertakes strategic decisions. The Company management has determined the operating segments based on the information addressed by the Group management and which is used as the basis of allocating resources and evaluating results.

Group management assessed the operations on the basis of the two operating segments, MST and Bellmans, and on one other segment. Group management primarily applies EBITDA in assessing the Group's results.

MST

Services within blasting, rock drilling and excavation.

Bellmans

Transportation and excavation work for the construction industry.

Other segments

Group management and other group-wide services.

Net sales

Sales between segments take place on market-based terms. The revenues from external customers reported to Group management are valued in the same manner as in the Group's income statement.

MSEK	3 Months Oct-Dec 2017	3 Months Oct-Dec 2016	**) 12 Months Jan-Dec 2017	12 Months Jan-Dec 2016	*) Proforma 12 Months Jan-Dec 2017
Total net sales					
MST	68,6	39,0	237,9	159,4	237,9
Bellmans	162,4	0,0	309,1	0,0	600,3
Elimination of internal sales	-3,0	0,0	-4,4	0,0	-10,3
Total net sales	228,0	39,0	542,6	159,4	827,9

MSEK	3 Months Oct-Dec 2017	3 Months Oct-Dec 2016	**) 12 Months Jan-Dec 2017	12 Months Jan-Dec 2016	*) Proforma 12 Months Jan-Dec 2017
EBITDA before items affecting comparability					
MST	4,6	5,9	24,9	16,1	25,0
Bellmans	5,3	0,0	15,1	0,0	38,2
Other	0,2	0,0	-0,8	0,0	-0,8
Total EBITDA before items affecting comparability	10,1	5,9	39,2	16,1	62,4

MSEK	3 Months Oct-Dec 2017	3 Months Oct-Dec 2016	**) 12 Months Jan-Dec 2017	12 Months Jan-Dec 2016	*) Proforma 12 Months Jan-Dec 2017
Operating profit					
MST	1,5	2,9	13,2	4,9	13,3
Bellmans	2,4	0,0	9,5	0,0	27,3
Other	-2,3	0,0	-8,1	0,0	-8,1
Total operating profit after items affecting comparability	1,6	2,9	14,6	4,9	32,5

MSEK					*) Proforma
	3 Months	3 Months	**) 12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Depreciation/amortization	**2017**	**2016**	**2017**	**2016**	**2017**
MST	-3,1	-3,0	-11,7	-11,2	-11,7
Bellmans	-2,9	0,0	-5,6	0,0	-10,9
Other	0,0	0,0	0,0	0,0	0,0
Total depreciation/amortization	-6,0	-3,0	-17,3	-11,2	-22,6

EBITDA before items affecting comparability for the Group's operating segments are reconciled against the Group's income before tax, according to the following:

MSEK					*) Proforma
	3 Months	3 Months	**) 12 Months	12 Months	12 Months
	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec	Jan-Dec
	2017	**2016**	**2017**	**2016**	**2017**
EBITDA before items affecting comparability	10,1	5,9	39,2	16,1	62,4
Items affecting comparability	-2,5	0,0	-7,3	0,0	-7,3
Depreciation/amortization	-6,0	-3,0	-17,3	-11,2	-22,6
Financial income and expenses	-3,2	-0,2	-8,1	-0,9	-7,7
Income after financial items	-1,6	2,7	6,5	4,0	24,8

MSEK		
Net working capital	**31 Dec 2017**	**31 Dec 2016**
MST	23,1	16,8
Bellmans	-3,9	0,0
Other	-2,0	0,0
Total net working capital	17,2	16,8

*) Proforma 12 months Jan-Dec 2017 includes figures for MST and Bellmans as if BMST's acquisition of the Bellmans subsidiaries had taken place on 31 December 2016.
**) 12 months Jan-Dec 2017 includes figures for the Parent Company from 10 April 2017 (which was the date of incorporation of BMST Intressenter AB), figures from MST from January 2017 and figures from Bellmans from the date of BMST's acquisition of the Bellmans subsidiaries 30 June 2017.

4 Financial instruments – Recognized fair value measurements

Fair value hierarchy:

This section explains the judgements and estimates undertaken in determining the fair values of the financial instruments that are recognized and measured at fair value in the financial statements. To provide an indication of the reliability of the inputs used in determining fair value, the Group has classified its financial instruments as level three in the fair value hierarchy. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

MSEK	Measured at fair value through profit or loss	Of which fair value by level		
At 31 December 2016		1	2	3
Derivatives	0,0	0,0	0,0	0,0
Total assets	**0,0**	**0,0**	**0,0**	**0,0**
At 31 December 2017				
Derivatives	1,0	0,0	0,0	1,0
Total assets	**1,0**	**0,0**	**0,0**	**1,0**

There were no transfers between levels during the year.

Valuation techniques used to determine fair values:

The fair value for the derivative has been determined based on present value and the discount rate used was adjusted for own credit risk. Unobservable inputs are comprised of risk-adjusted discount rate and expected cash inflows.

Fair value measurements using significant unobservable inputs (level 3):

The following table presents the changes in level 3 items for the period ended 31 December 2017.

MSEK	Derivatives
At 31 December 2016	**0,0**
Acquisitions	0,0
Gains (+)/losses (-) recognised in other income****)	1,0
At 31 December 2017	**1,0**

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

Valuation inputs and relationships to fair value:
The assessment is that changes in unobservable inputs used in the level 3 fair value measurement would not carry any significant changes that would materially affect fair values. The Finance Department of the Group includes resources undertaking the valuation of items for financial reporting purposes, including level 3 fair values. The main level 3 inputs are evaluated and any changes in level 3 fair values are analyzed at the end of each reporting period.

5 Transactions with related parties
During the reporting period, a total of 14,174 shares were issued in an amount of MSEK 2.0 to senior management of which the Board Member, Björn Andersson, acquired, via a company, 7,087 of these shares. No other transactions between the BMST Group and related parties significantly impacting the financial positon or results have taken place.

6 Business combination
Summary of the acquisition:
On 30 June 2017, the Parent Company acquired 100% of the share capital in Bellmans, operating as haulage contractors. This acquisition has significantly increased the Group's market share in this industry. Details of the purchase consideration, the net assets acquired and goodwill are as follows:

Purchase consideration:		
MSEK	**Bellmans**	**Total**
Cash paid	124,5	124,5
Non-cash issue	29,2	29,2
Vendor loan	58,5	58,5
Total purchase consideration	**212,2**	**212,2**

The fair value of the 207,229 shares issued as a part of the purchase price for Bellmans (MSEK 29.2) was based on an assessed market value of SEK 141,1 per share. The assets and liabilities recognized as attributable to the acquisition are as follows:

Fair value		
MSEK	**Bellmans**	**Total**
Cash	15,9	15,9
Trade receivables	69,5	69,5
Inventories	0,0	0,0
Pland and equipment	57,5	57,5
Other short term receivables	19,8	19,8
Intangible assets: trademarks	3,4	3,4
Trade payables	-17,6	-17,6
Deferred tax liability	-12,9	-12,9
Short term financial debt	0,0	0,0
Other short term liabilities	-66,5	-66,5
Net identifiable assets acquired	**69,1**	**69,1**
Add: Goodwill	143,1	143,1
Net assets acquired	**212,2**	**212,2**

Goodwill is attributable to the workforce and the high level of profitability in the acquired business, and will not be deductible for tax purposes. A preliminary calculation of goodwill has been made and this value may change over a period of twelve months from acquisition date.

Acquired receivables:
The fair value of acquired accounts receivables amounted to MSEK 69.5. The contractual gross amount of accounts receivables is MSEK 69.5.

Revenue and income in acquired operations:
For the period 1 July to 31 December 2017, the acquired operations contributed to the Group net sales of MSEK 309.1 and net profits of MSEK 7.3. If the acquisition had taken place on 31 December 2016, the consolidated proforma net sales and income as at 31 December 2017, were MSEK 600.3 and MSEK 21.5, respectively. These amounts have been calculated by adding the subsidiaries income, with an adjustment for differences in accounting principles between the Group and subsidiaries, and the further write-down, which would have taken place provided the adjustment of the fair value of intangible assets had applied on 31 December 2016, to the associated tax effects.

Purchase consideration - cash outflow:	**3 Months**	**12 Months**
	Oct-Dec	Jan-Dec
	2017	**2017**
Outflow of cash to acquire subsidiaries, net of cash acquired		
Cash considerations	**0,0**	**124,5**
Less: Balances acquired		
Cash	0,0	15,9
	0,0	**15,9**
Net outflow of cash - investing activities	**0,0**	**108,6**

Acquisition-related costs:
Acquisition-related costs of MSEK 4.8 are included in the above costs in the income statement and in the cash flow from operating activities in the cash flow analysis.

7 Intangible assets

MSEK Non-current assets	Goodwill	Trademarks	Order backlog	Total
At 1 January 2016				
Cost	68,4	0,9	0,2	69,5
Accumulated amortization and impairment	-67,6	0,0	0,0	-67,6
Net book amount	**0,8**	**0,9**	**0,2**	**1,9**
Year ended 31 December 2016				
Opening net book amount	0,8	0,9	0,2	1,9
Acquisition of business (note 6)	0,0	0,0	0,0	0,0
Impairment charge	0,0	0,0	0,0	0,0
Amortization charge	0,0	-0,3	-0,2	-0,5
Closing net book amount	**0,8**	**0,6**	**0,0**	**1,4**
At 31 December 2016				
Cost	68,4	0,9	0,2	69,5
Accumulated amortization and impairment	-67,6	-0,3	-0,2	-68,1
Net book amount	**0,8**	**0,6**	**0,0**	**1,4**
Year ended 31 December 2017				
Opening net book amount	0,8	0,6	0,0	1,4
Acquisition of business (note 6)	143,1	3,4	0,0	146,5
Impairment charge	0,0	0,0	0,0	0,0
Amortization charge	0,0	-0,8	0,0	-0,8
Closing net book amount	**143,9**	**3,2**	**0,0**	**147,1**
At 31 December 2017				
Cost	211,5	4,3	0,2	216,0
Accumulated amortization and impairment	-67,6	-1,1	-0,2	-68,9
Net book amount	**143,9**	**3,2**	**0,0**	**147,1**

As per the Group establishment date of 1 January 2016, recognized goodwill on the original acquisition of MST was tested for impairment, resulting in an immidiate write-down of MSEK -67.6. See Note 1 for the other accounting policies relevant to intangible assets and for the Group's policy regarding impairments.

8 Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

MSEK	**Group 31 Dec 2017**	**Parent Company 31 Dec 2017**	**Group 31 Dec 2016**	**Group 1 Jan 2016**
For own provisions and liabilities				
Securities for financial liabilities:				
Shares in subsidiaries	181,6	313,9	0,0	0,0
Floating charge	15,0	0,0	14,4	14,4
Intercompany loans	0,0	52,4	0,0	0,0
Plant and equipment	0,0	0,0	27,6	30,1
Total for own provisions and liabilities	**196,6**	**366,3**	**42,0**	**44,5**
Total assets pledged as security	**196,6**	**366,3**	**42,0**	**44,5**

9 Non-current liabilities

MSEK	Group 31 Dec 2017	Parent Company 31 Dec 2017	Group 31 Dec 2016	Group 1 Jan 2016
Corporate bond	220,0	220,0	0,0	0,0
Borrowing costs	-7,2	-7,2	0,0	0,0
Lease liabilities	3,2	0,0	4,2	3,1
Vendor loan	39,0	39,0	0,0	0,0
Deffered tax liabilities	23,1	0,0	7,8	8,2
Other non-current liabilities	0,0	0,0	9,8	19,4
Total non-current liabilities	**278,1**	**251,8**	**21,8**	**30,7**

The essential non-current liabilities mature as follows:

MSEK		Group 31 Dec 2017	
	1-5 years	Later than 5 years	Total
Corporate bond	220,0	0,0	220,0
Total secured borrowings	**220,0**	**0,0**	**220,0**
Unsecured			
Vendor loan	39,0	0,0	39,0
Total unsecured borrowings	**39,0**	**0,0**	**39,0**
Total borrowings	**259,0**	**0,0**	**259,0**

MSEK		Parent Company 31 Dec 2017	
	1-5 years	Later than 5 years	Total
Secured			
Corporate bond	220,0	0,0	220,0
Total secured borrowings	**220,0**	**0,0**	**220,0**
Unsecured			
Vendor loan	39,0	0,0	39,0
Total unsecured borrowings	**39,0**	**0,0**	**39,0**
Total borrowings	**259,0**	**0,0**	**259,0**

The Parent Company has issued a corporate bond loan which was listed on the NASDAQ First North bond market, Stockholm on 10 August, 2017. The instrument is listed as BMST 01 with 220 units, with a total outstanding nominal amount of MSEK 220, and has a nominal value of MSEK 1.0 per unit. Borrowing costs of MSEK 7.2 relating to the bond have been activated on the loan. The bond carries interest at a floating rate of three months STIBOR plus 6.50 per cent payable quarterly in arrears and matures in June 2022. The corporate bond was secured by the shares in the subsidiaries in the Parent Company. The terms and conditions of the bond include an option providing the right to a premature redemption of the loan. This option is reported as a derivative and is classified as a financial asset at fair value through profit or loss. The Group is obliged to report its financial position as described in the terms and conditions of the bond. For terms and conditions of the corporate bond loan, please see the website of BMST Intressenter AB (publ) available on www.bmstab.se. The vendor loan amounts to MSEK 58.5 in total of which MSEK 19.5 is a current liability and MSEK 39 is a non-current liability. The vendor loan is interest free and held without security. The terms of the loan stipulate that amortization will commence in 2018 and that the loan is to be fully repaid in 2020. For the majority of borrowings, the fair values are not materially different to their carrying amounts, as the interest payable on those borrowings is either close to current market rates or the borrowings are of a short-term nature. Material differences have been identified only for the vendor loan with a carrying amount of MSEK 39 and a fair value of MSEK 36.8 based on discounted cash flows using an estimated market rate relevant for the Group.

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

Cash flow from operating activities	Operating profit adjusted for noncash items, investments in machinery and equipment and changes in working capital
Earnings per share	Income for the period attributable to owners of the parent divided by the number of ordinary shares outstanding
EBITDA	Income before interest, tax, depreciation (including impairment) and amortization. EBITDA is a measure that the Group regards as relevant for investors who want to understand earnings generation before investments in non-current assets
EBITDA margin	The percentage ratio between EBITDA and net sales
Items affecting comparability	Items that occur infrequently or are unusual in the ordinary business activities, such as start-up costs, restructuring costs and acquisition costs
Net interest bearing debt	The aggregated interest bearing debt less cash and cash equivalents. This key figure is a measure to show the Group's total interest-bearing debt
Net sales	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 net sales during 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 new projects and contracts received as well as changes to existing projects and contracts during the period in question
Organic growth	The change in sales adjusted for acquisitions and disposals compared with the same period of the previous year
Working capital	Working capital is calculated as short-term operating receivables (inventories, accounts receivable and other non-interest-bearing, current receivables) less current operating liabilities (trade payables and other non-interest-bearing, current liabilities). This measure shows how much working capital is tied up in the business and may be set in relation to sales to understand how efficiently tied-up working capital is being used