

**Interim report
January – September 2020**

Q3



Stable earnings development

Third quarter, July – September 2020

- Net Sales amounted to SEK 422.6 m (437.4), a decrease of 3.4%.
- EBITDA before items affecting comparability amounted to SEK 62.2 m (61.8), an increase of 0.6%. The EBITDA margin before items affecting comparability amounted to 14.7% (14.1%).
- EBITDA amounted to SEK 59.7 m (58.8), an increase of 1.4%. The EBITDA margin amounted to 14.1% (13.4%).
- Operating profit (EBIT) amounted to SEK 35.6 m (38.3), a decrease of 6.8%. The operating margin amounted to 8.4% (8.8%).
- Net profit for the quarter amounted to SEK 19.3 m (20.5).
- Earnings per share, basic and diluted, equaled SEK 9.1 (9.5).
- Cash flow from operating activities amounted to SEK 45.6 m (29.4).
- The Group has seen a delay in some projects and price pressure in certain segments, which is presumably due to Covid-19. This has to some extent affected the Group's net sales but has not materially affect the Group's liquidity.

Period, January – September 2020

- Net Sales amounted to SEK 1,264.8 m (1,323.8), a decrease of 4.5%.
- EBITDA before items affecting comparability amounted to SEK 171.4 m (168.5), an increase of 1.7%. The EBITDA margin before items affecting comparability amounted to 13.5% (12.7%).
- EBITDA amounted to SEK 161.6 m (159.8), an increase of 1.1%. The EBITDA margin amounted to 12.8% (12.1%).
- Operating profit (EBIT) amounted to SEK 90.4 m (99.2), a decreased of 8.9%. The operating margin amounted to 7.1% (7.5%).
- Net profit for the period amounted to SEK 43.3 m (50.2), a decrease of 13.8%.
- Earnings per share, basic and diluted, equaled SEK 20.0 (23.7).
- Cash flow from operating activities amounted to SEK 95.7 m (95.3).
- On March 6, 2020, SÅCAB Åkericentral AB was acquired. The purchase price amounted to SEK 77 m and the acquisition was financed through own funds.

Financial overview

SEK m (unless stated otherwise)	Q3	Q3	YTD	YTD	Pro forma	Pro forma
	2020 ¹⁾	2019 ¹⁾	2020 ¹⁾	2019 ¹⁾	YTD	YTD
Net Sales	422.6	437.4	1,264.8	1,323.8	1,295.3	1,462.9
EBITDA before items affecting comparability	62.2	61.8	171.4	168.5	178.3	186.7
EBITDA before items affecting comparability margin, %	14.7%	14.1%	13.5%	12.7%	13.8%	12.8%
EBITDA	59.7	58.8	161.6	159.8	168.5	178.0
EBITDA margin, %	14.1%	13.4%	12.8%	12.1%	13.0%	12.2%
Operating profit (EBIT)	35.6	38.3	90.4	99.2	97.0	116.0
Operating margin, %	8.4%	8.8%	7.1%	7.5%	7.5%	7.9%
Net profit	19.3	20.5	43.3	50.2	48.3	62.1
Earnings per share (SEK), basic and diluted	9.1	9.5	20.0	23.7		
Cash flow from operating activities	45.6	29.4	95.7	95.3		

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

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

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

We make it possible to build – About Bellman Group

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

In 2019, net sales for the Group were SEK 1.8 billion. Bellman Group, with registered offices in Solna, Sweden, has approximately 400 employees and 1,000 subcontractors. The parent company's corporate bonds are listed on Nasdaq Stockholm. Bellman Group is a group of strong growth with an explicit acquisition strategy.

Business concept

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

Core values

- Quality
- Skill
- Safety



Message from the CEO

During the third quarter the market continued to be affected by uncertainty surrounding the Covid-19 pandemic. Against this background, I am proud of our development during the quarter when, among other things, we improved our EBITDA result, thanks in part to the acquisition of SÅCAB. There are two main reasons for our strength. The first is that we are focused on infrastructure, the part of capital investments that is now developing the strongest. The second is that our subsidiaries complement each other and thus can offer complete solutions that are met with great interest from our customers.

Slightly changing development in the Group

Sales for the Group amounted to SEK 422.6 million in the third quarter, a decrease of 3.4 percent compared with the same period last year. EBITDA before items affecting comparability for the quarter increased by SEK 0.4 million (0.6 percent) and amounted to SEK 62.2 million (61.8), which shows that the efficiency and coordination projects we are currently working on generates results. For the companies within the Group that have a predominant part of their sales related to infrastructure projects (VSM, Uppländska and to some extent Samgräv), we see a continued strong development. Within transport, where Bellmans primarily has its operations, we are experiencing a more challenging market than we previously expected. Customer projects have been delayed, which most likely has a connection to Covid-19. We also see that the uncertainty that the pandemic entails in general has had an impact on the price picture, especially in the transport sector.

Infrastructure is becoming increasingly important for the Group

Byggföretagen's latest report on the construction economy in Sweden shows that construction investments continue to rise at a good pace during the forecast period and is the main reason why total construction investment maintains its current level also in 2021. It is primarily public investments in infrastructure that make a strong positive contribution to the development this and next year. Infrastructure, including mass handling, currently accounts for approximately 75 percent of Bellman Group's net sales, with a subsequent demand for landfill capacity, which means that we are positive about the future.

The proportion of projects where more than one of our subsidiaries is involved is increasing steadily and we see that we have many interesting inquiries where we have the advantage of being able to offer complete solutions to our customers.

Interesting acquisition opportunities and continued focus on synergies within the Group

Our stated acquisition strategy means that we have an ongoing process regarding acquisitions. The companies we consider to be interesting and would fit in well with the Bellman Group are entrepreneur-driven companies with strong local roots that complement the Group's offering to construction companies.

During the third quarter and at the beginning of the fourth quarter, we completed the ISO certification of all our companies in the Group in terms of environmental certification, 14 001, as well as quality 9001 and working environment 45 001 for all companies except SÅCAB. Joint working methods and quality are key parameters and a recipe for success in delivering a complete solution, that many of our customers are growing increasingly interested in.

We maintain an ongoing dialogue with all our subsidiaries to manage and monitor the development and effects of Covid-19. We believe that the uncertainty surrounding the development will have some continued effect on the transport side in particular, but our focus on large infrastructure projects means that we will enable a stable development.

Håkan Lind, VD Bellman Group continued



” We receive many inquiries where we have the advantage of being able to offer complete solutions to our customers.”

Financial overview

Third quarter, July – September 2020

Net Sales

The Group's consolidated net sales for the third quarter amounted to SEK 422.6 m (437.4), a decrease of -3.4% or SEK -14.8 m compared to the previous year. Net sales in Bellmans decreased by -21.0% to SEK 125.1 m (158.3) partly due to delayed customer projects and price pressure in the market, presumably an effect of Covid-19. VSM's net sales decreased by -1.9% to SEK 184.6 m (188.2), partly due to lower production in the Västlänken Göteborg infrastructure project, explained by the fact that VSM is slightly ahead of the other suppliers in the current phase of this project. Net sales in Uppländska increased by 19.1% to SEK 70.1 m (58.9) mainly related to continued expansion of wind farms and infrastructure projects. Samgräv's net sales increased by 5.9% to SEK 64.2 million (60.6), primarily related to high landfill intake from the Västlänken Göteborg. During the third quarter the acquisition of SÅCAB contributed with net sales of SEK 29.9 m. For further details, see Segment overview.

Earnings

EBITDA before items affecting comparability amounted to SEK 62.2 m (61.8), an increase of 0.6% or SEK 0.4 m. Uppländska's earnings increased by 109.8% to SEK 7.9 m (3.8) primarily due to high net sales and a positive project mix. Samgräv's earnings increased by 56.8% to SEK 7.5 m (4.8) mainly due to high net sales in the landfill business. The acquisition of SÅCAB contributed with SEK 1.2 m during the third quarter. VSM's earnings decreased by -15.7% to SEK 39.1 m (46.4) mainly due to somewhat lower turnover and higher utilization of subcontractors. Bellmans' earnings decreased by -9.7% to SEK 6.2 m (6.9) primarily due to lower net sales. For further details, see Segment overview.

EBITDA amounted to SEK 59.7 m (58.8), an increase of 1.4% or SEK 0.9 m. Items affecting comparability during the quarter amounted to SEK -2.5 m (-3.0) and comprised of acquisition costs SEK -0.9 m (-0.1), integration expenses SEK -0.8 m (0.0), provision of costs related to a dispute in Norway (VSM project that ended in 2016) SEK -0.6 m (0.0) and other expenses SEK -0.2 m (-2.9).

Operating profit (EBIT) amounted to SEK 35.6 m (38.3) and included depreciation and amortization of SEK -24.0 m (-20.5) due to depreciation of tangible assets and concessions of SEK -23.4 m (-19.8) and amortization of intangible assets of SEK -0.6 m (-0.7).

Net financial items totaled SEK -12.0 m (-12.4) related to interest expenses for the corporate bond of SEK -11.5 m (-10.3), external interest related to leasing of SEK -0.4 m (-0.3) and an adjustment of Samgräv's conditional purchase price of SEK -0.1 m (-1.8). Net profit in the third quarter totaled SEK 19.3 m (20.5) with an effective tax rate of 18.5% (21.3%).

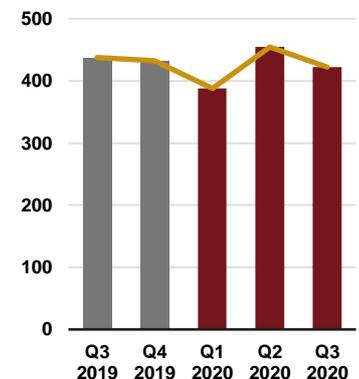
Cash flow

The Group's cash flow from operating activities totaled SEK 45.6 m (29.4), an increase of SEK 16.2 m. The change in cash flow was a result of an increased cash flow from operating activities before changes in working capital of SEK 39.7 m (36.6), primarily due to lower tax payments compared to last year, and a positive change in working capital of SEK 5.9 m (-7.3).

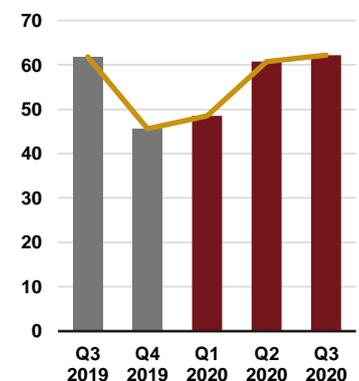
Cash flow from investing activities totaled SEK -0.5 m (-11.1). This was due to investments in tangible assets of SEK -7.1 m (-12.6) and sales of own equipment of SEK 6.7 m (1.5).

Cash flow from financing activities totaled SEK -11.1 m (-3.4) and was mainly a result of payment of leasing debt of SEK -7.7 m (-3.4) and early settlement of a part of Uppländska's leasing debt totaling SEK -3.4 million (0.0).

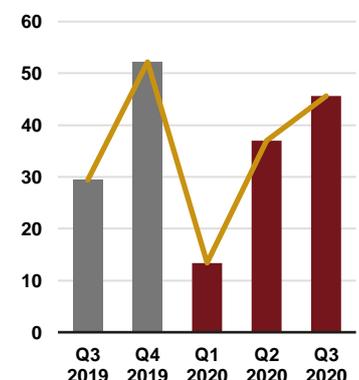
Net Sales, SEK m



EBITDA before items affecting comparability, SEK m



Cash flow from operating activities, SEK m



The cash flow for the quarter amounted to SEK 34.0 m (14.9) resulting in cash and cash equivalents at end of the quarter 2020 of SEK 144.9 m compared to SEK 115.5 m at the end of the third quarter 2019.

Period, January – September 2020

Net Sales

The Group's consolidated net sales for the period amounted to SEK 1,264.8 m (1,323.8), a decrease of -4.5% or SEK -58.9 m compared to the previous year. The decrease was mainly a result of lower net sales in Bellmans of -19.9% to SEK 400.7 m (500.5). The change was primarily due to two extraordinary projects during the first quarter of the previous year as well as generally lower sales in 2020. The lower net sales were related to a decline in the haulage operation where some customer projects have been delayed as well as increased price pressure, presumably an effect of Covid-19. VSM's net sales decreased by -1.3% to SEK 532.2 m (539.2). Uppländska's net sales increased by 16.8% to SEK 211.0 m (180.7) mainly due to continued expansion of wind farms and infrastructure projects. Samgräv's net sales increased by 0.6% to SEK 175.0 m (173.9). The acquisition of SÅCAB contributed with net sales of SEK 89.1 m during the period March - September 2020. For further details see Segment overview.

Earnings

EBITDA before items affecting comparability amounted to SEK 171.4 m (168.5), an increase of 1.7% or SEK 2.9 m. The increase was mainly due to the acquisition of SÅCAB, which contributed with SEK 8.2 m during the period March - September 2020. Uppländska's earnings increased by 22.2% to SEK 27.3 m (22.3) primarily due to increased net sales. Bellmans' earnings decreased by -15.6% to SEK 21.8 m (25.9) mainly due to lower net sales, partly related to Covid-19. VSM's earnings decreased by -6.0% to SEK 94.9 m (101.0) due to somewhat lower turnover and gross profit (higher usage of subcontractors). Samgräv's earnings decreased by -4.1% to SEK 18.7 m (19.5). This was mainly a result of lower sales for Fäxhult landfill, as well as a one-time sale of materials in 2019. For further details, see Segment overview.

EBITDA amounted to SEK 161.6 m (159.8), an increase by 1.1% or SEK 1.8 m. Items affecting comparability year to date amounted to SEK -9.8 m (-8.7) and comprised of expenses related to improvements of processes and procedures of SEK -4.0 m (-7.1), acquisition expenses of SEK -3.7 m (-1.1), integration expenses SEK -0.8 m (-0.5 fusion), an adjustment of non-deductible VAT of SEK -0.7 m (0.0) and an expenses due to a provision of costs related to a dispute in Norway (VSM project that ended in 2016) SEK -0.6 m (0.0).

Operating profit (EBIT) amounted to SEK 90.4 m (99.2), which included depreciation and amortization of SEK -71.2 m (-60.6) due to depreciation of tangible assets and concessions of SEK -68.7 m (-58.5) and amortization of intangible assets of SEK -2.5 m (-2.1).

Net financial items totaled SEK -36.0 m (-35.8) related to interest expenses for the corporate bond of SEK -34.5 m (-33.4), external interest related to leasing of SEK -1.2 m (-0.6) and an adjustment of Samgräv's conditional purchase price of SEK -0.3 m (-1.8). Net profit for the period totaled SEK 43.3 m (50.2) with an effective tax rate of 20.4% (20.7%).

Cash flow

The Group's cash flow from operating activities totaled SEK 95.7 m (95.3), which was generally in line with the previous year. The change in cash flow was a result of an increased cash flow from operating activities before changes in working capital of SEK 116.2 m (107.7) and a negative change in working capital of SEK -20.5 m (-12.4).

Cash flow from investing activities totaled SEK -58.0 m (-125.0). This was a result of the acquisition of SÅCAB SEK -41.4 m (-94.2 Samgräv acquisition), investments in tangible assets of SEK -31.0 m (-38.5) and sales of equipment of SEK 14.4 m (7.8).

Cash flow from financing activities totaled SEK -46.1 m (50.7) and was mainly a result of payment of leasing debt of SEK -21.9 m (-9.9), amortization of the vendor loan for Bellmans of SEK -17.0 m (-19.5), repayment of lease debt for SÅCAB of SEK -3.1 m (0.0) and for Uppländska of SEK -3.4 m (0.0)) as well as a dividend to the minority in VSM of SEK -0.8 m (0.0). At the time of the acquisition of Samgräv (January 31, 2019) a new bond loan of SEK 95.9 million was raised while an older loan of SEK -15.9 million was resolved.

The cash flow for the period amounted to SEK -8.5 m (21.0) resulting in cash and cash equivalents at end of the third quarter 2020 of SEK 144.9 m compared to SEK 115.5 m at the end of the third quarter 2019.

Investments

The Group's investments in tangible assets totaled SEK 31.0 m (38.5), which referred to Samgräv SEK 12.5 m (21.8) (landfills), VSM SEK 9.1 m (10.1) (vehicles), Uppländska SEK 3.3 m (2.3) (vehicles), Bellmans SEK 2.8 m (4.0) (vehicles), SÅCAB SEK 1.8 m (0.0) (landfills) and the Parent company SEK 1.5 m (0.3) (vehicles).

Acquisitions

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

Net interest-bearing debt

The Group's net interest-bearing debt for covenant purposes, as of 30 September 2020, amounted to SEK 455.1 m (489.6). This comprised of bonds to a nominal value of SEK 600.0 m (600.0) less cash and cash equivalents of SEK 144.9 m (115.5). Interest-bearing net debt in relation to rolling twelve-month pro forma¹⁾ EBITDA before items affecting comparability on 30 September 2020 was 2.16 (2.19).

Total net debt amounted to SEK 561.1 m compared to SEK 631.8 m, as of 30 September 2019, and included a corporate bond of SEK 600.0 m (600.0), lease liabilities of SEK 91.9 m (38.2), vendor loan (Bellmans) of SEK 1.6 m (18.6) and a conditional purchase price for the acquisition of Samgräv at a fair value of SEK 12.5 m (90.5) partly reduced by cash and cash equivalents of SEK 144.9 m (115.5).

Financial position and financing

At the end of the period, the Group had cash and cash equivalents of SEK 144.9 m compared to SEK 115.5 m, as of 30 September 2019. Including an undrawn overdraft facility available cash and cash equivalents totaled SEK 188.9 m (159.5).

The Parent Company has issued corporate bonds, which are listed on Nasdaq Stockholm. These bonds are listed as Bellman Group 1 with 600 units. The total outstanding nominal amount is SEK 600.0 m (600.0) and the nominal value per unit is SEK 1.0 m. The interest rate of the bonds is the variable 3-month STIBOR plus 6.50%. The interest is payable quarterly in arrears and the bonds mature in June 2022. The terms and conditions of the bonds include an early redemption option. The option is accounted for as a derivative at an amount of SEK 2.7 m (2.7 as of 31 December 2019) and is classified as a financial asset at fair value through profit or loss. The terms and conditions of the bonds include a quarterly maintenance test, which is deemed to be satisfied provided the ratio of net interest-bearing debt to EBITDA is less than 4.25. The terms and conditions of the bonds are available on Bellman Group's website.

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

Segment overview

Bellman Group AB was founded in April 2017. Uppländska and Bellmans were acquired in July 2017, VSM was acquired in July 2018, Samgräv was acquired in January 2019 and SÅCAB was acquired in March 2020. To illustrate Bellman Group's operational development, pro forma figures January - September 2019 and 2020 are utilized in the Segment overview. Samgräv and SÅCAB are included as if the acquisitions of the subsidiaries had taken place on 1 January 2019.

VSM

VSM Entreprenad is a machine contracting company mainly operating in Sweden. Customers are construction companies needing different types of excavation services that require machines that are too large to drive on public roads. The work can involve uncovering rock, unloading tunnels, or crushing and excavating rock masses. The company is mainly engaged in infrastructure projects such as roads, railways, and airfields. VSM is certified according to ISO 9001, 14001 and 45001. The company employs over 400 machines, of which more than half belong to subcontractors.

Year to date net sales 2020 amounted to SEK 532.2 m (539.2). The major ongoing projects are Västlänken rail link Gothenburg, Microsoft Salbohed, Bypass Stockholm, Täby Arninge Interchange and Nya Skurubron (bridge), which contributes to over half of total net sales.

Year to date EBITDA before items affecting comparability decreased by -6.0% to SEK 94.9 m (101.0). The decrease was mainly due to somewhat lower net sales and gross profit (higher utilization of subcontractors).

Net sales year to date 2020 (compared to full year 2019) were distributed between the Stockholm region 60% (60%), the Gothenburg region 20% (12%) and the rest of Sweden 20% (28%). Order intake totaled SEK 236 m (721) and the order backlog amounted to SEK 614 m (872), as of 30 September 2020. Active customer projects year to date amounted to 74, compared to approximately 90 projects during the full year of 2019.

Bellmans

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

Year to date net sales decreased by -19.9% to SEK 400.7 m (500.5) mainly due to high sales in two extraordinary projects during the same period 2019 and generally lower net sales 2020. This is primarily driven by delayed projects in the haulage business, presumably related to Covid-19.

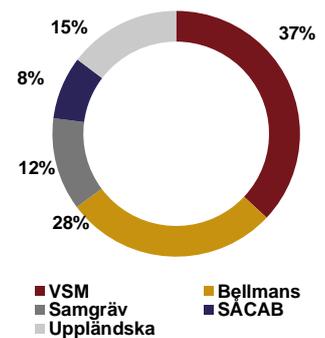
Year to date EBITDA before items affecting comparability decreased by -15.6% to SEK 21.8 m (25.9). The lower result was mainly due to the decrease in net sales partly offset by a higher profit margin on material.

Operations are concentrated to the Stockholm region and most of the sales were related to infrastructure projects. Bellmans' has handled approximately 33,500 customer orders year to date 2020, compared to approximately 56,000 customer orders during the full year of 2019.

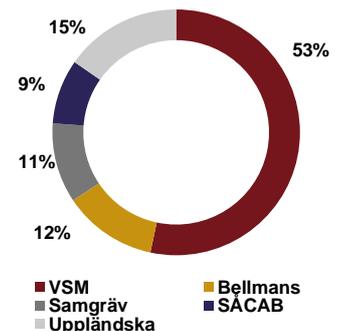
Uppländska

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

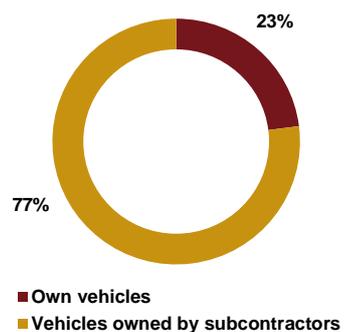
YTD Sales by segment



YTD EBITDA before items affecting comparability by segment



YTD distribution of vehicles



Year to date net sales increased by 16.8% to SEK 211.0 m (180.7). The year to date growth was mainly attributable to wind farms and larger infrastructure projects.

Year to date EBITDA before items affecting comparability increased by 22.2% to SEK 27.3 m (22.3). The improved earnings were mainly due to the increased net sales.

Net sales year to date 2020 (compared to full year 2019) were distributed between the Stockholm region 51% (66%), the Gothenburg region 2% (2%) and the rest of Sweden 47% (32%). Order intake totaled SEK 76 m (176) and the order backlog amounted to SEK 89 m (120), as of 30 September 2020. Active customer projects year to date 2020 amounted to just over 250 compared to 300 for the full year of 2019.

Samgräv

Samgräv supplies large projects in the Gothenburg region, such as Västlänken rail link, with products and services in mass- and materials handling. The company also operates its own inert landfills, recycling facilities and quarries, and conveys transport and machinery services. The company does not own any machines but employs approximately 260 subcontractors. The company was in the beginning of the fourth quarter of 2020 certified for ISO 9001, 14001 and 45001.

Year to date net sales decreased by -11.7% to SEK 175.0 m (198.2). The decline was mainly due to lower volumes attributable to the Fäxhult landfill and in machinery services, as well as a high non-recurring sale of materials in 2019.

Year to date EBITDA before items affecting comparability decreased by -21.8% to SEK 18.7 m (24.0). This was mainly related to the decline in net sales, particularly related to the high margin landfill business in Fäxhult.

Operations were concentrated to the Gothenburg region and over a third of the sales were related to infrastructure projects. Samgräv has handled approximately 14,000 customer orders year to date 2020, compared to approximately 20,000 during the full year of 2019.

SÅCAB

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

Year to date net sales increased by 3.7% to SEK 119.6 m (115.3). The increase was mainly due to the Fors landfill generating higher crushed quantities of material during 2020 compared to 2019, thus increasing the landfill haulage activity and material sales.

Year to date EBITDA before items affecting comparability increased by 10.3% to SEK 15.2 m (13.8). This was mainly driven by increased net sales, particularly related to the high margin landfill business in Fors.

Net sales year to date were entirely attributable to the Stockholm region with over half of the sales exposed to infrastructure projects. SÅCAB has handled approximately 10,000 customer orders year to date 2020, compared to approximately 15,000 customer orders during the full year of 2019.

Segment development

	Q3	Q3	YTD	YTD	Pro forma	Pro forma
	2020 ¹⁾	2019 ¹⁾	2020 ¹⁾	2019 ¹⁾	YTD	YTD
					2020 ²⁾	2019 ²⁾
Net Sales, SEK m						
Uppländska	70.1	58.9	211.0	180.7	211.0	180.7
Bellmans	125.1	158.3	400.7	500.5	400.7	500.5
VSM	184.6	188.2	532.2	539.2	532.2	539.2
Samgräv	64.2	60.6	175.0	173.9	175.0	198.2
SÅCAB	29.9	-	89.1	-	119.6	115.3
Elimination, inter-company sales	-51.4	-28.6	-143.2	-70.5	-143.2	-70.9
Total Net Sales	422.6	437.4	1,264.8	1,323.8	1,295.3	1,462.9
					Pro forma	Pro forma
	Q3	Q3	YTD	YTD	Q1	Q1
	2020 ¹⁾	2019 ¹⁾	2020 ¹⁾	2019 ¹⁾	2020 ²⁾	2019 ²⁾
EBITDA before items affecting comparability, SEK m						
Uppländska	7.9	3.8	27.3	22.3	27.3	22.3
Bellmans	6.2	6.9	21.8	25.9	21.8	25.9
VSM	39.1	46.4	94.9	101.0	94.9	101.0
Samgräv	7.5	4.8	18.7	19.5	18.7	24.0
SÅCAB	1.2	-	8.2	-	15.2	13.8
Other	0.2	0.0	0.3	-0.2	0.3	-0.2
Total EBITDA before items affecting comparability	62.2	61.8	171.4	168.5	178.3	186.7

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

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

Market overview and outlook

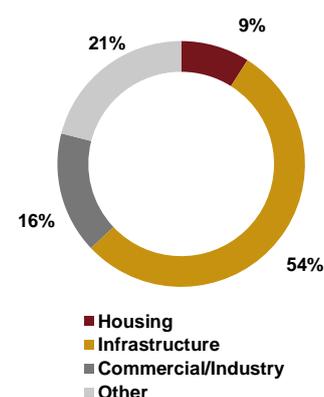
The construction industry can be divided into housing, infrastructure, commercial and industrial real estate, and other. Byggföretagen's latest report (October 2020) indicates that the impact of Covid-19 on the Swedish construction industry is smaller than what was initially expected but has still been straining. Both new housing construction and commercial real estate investment are expected to decrease, but the infrastructure market will be a strong counterweight to the negative development and contributes to construction investment being expected to remain unchanged in 2020 and 2021.

Infrastructure investments increased by a total of 10 percent in the first half of 2020, driven by a marked increase in public investment (23 percent), while private investment fell, from high levels, by 3 percent. The good development of the infrastructure sector is expected to continue during the remainder of 2020 and throughout 2021, driven partly by increased appropriations for road investments in the Government's investment plan for the Budget Bill 2021 and continued growth in railway investments. Bellman Group's net sales per market for the first three quarters of 2020 (compared to the full year 2019) were as follows: infrastructure 54% (57%), commercial and industrial properties 16% (13%), housing 9% (11%), and other 21% (19%).

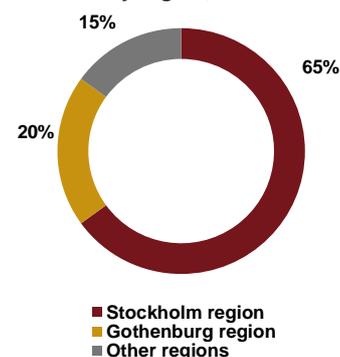
Geographically more than half of the building and construction investments are made in and around the larger cities, of which Stockholm is dominant. Growth in all regions is expected mainly in public infrastructure investments. Bellman Group's first nine months sales in 2020 (compared to full year 2019) were distributed over the Stockholm region 65% (68%), the Gothenburg region 20% (17%) while the remaining 15% (15%) came from the rest of Sweden. Bellmans and SÅCAB are active in Stockholm County and Samgräv is active in Western Sweden while Uppländska and VSM operates throughout Sweden.

Bellman Group is continuously working to develop and customize its operations within the various segments. This work is done both through industry organizations and in cooperation with customers. The future development of the Group's subsidiaries is deemed good. The assessment is supported by the fact that the Group operates in a well-structured market, that the Group's service offering is in demand among customers and that the services have a high degree of utility. Long-term trends, such as urbanization, also work to the Group's

Net sales by market, YTD



Net sales by region, YTD



advantage. Urbanization promotes the market in which the Group's largest customers are active, thereby increasing demand for the Group's services.

Impact of Covid-19

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

The Group has seen a postponement of some projects and price pressure in some segments, which is probably attributable to Covid-19. This has affected the Group's net sales to some extent but has not materially affect the Group's liquidity.

Most of the Group's sales relate to long-term infrastructure projects which are expected to continue without major disruption, but individual projects can be affected.

Other information

Ownership and shares outstanding

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

Organization

On 30 September 2020, the Group had 369 (373) employees. Of these, 171 (179) were employed by VSM, 98 (95) employed by Uppländska, 69 (76) employed by Bellmans, 16 (17) employed by Samgräv, 9 (0) employed by SÅCAB and 6 (6) employed by the Parent Company.

Sustainability

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

Being an attractive employer, with healthy workplaces where the employees are happy and given possibilities to develop, is important. A good work environment makes it possible to attract and retain competent and knowledgeable employees, which is crucial for Bellman Group's success. The company is convinced that an inclusive corporate culture characterized by diversity benefits everyone. Discrimination or harassment are not allowed in any form. A good corporate culture also makes for well-being, good relations, low staff turnover and low sick leave. The physical safety of personnel is a top priority and Bellman Group has a zero vision when it comes to accidents.

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

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

Bellman Group's Board of Directors has adopted sustainability targets for the business and a system has been implemented that enables follow-up of these during 2020. During the quarter work began to map the Group's climate impact, which will be compiled in a climate statement for 2020.

Risks and undertakings

A presentation of significant risks and uncertainties can be found in the Group's Annual Report for 2019 that is available on Bellman Group's website.

Market overview and outlook as well as the below information highlights the impacts of Covid-19. No other changes of significant risks and other uncertainties have occurred since the annual report was published.

Covid-19

The Group has seen a delay in some projects and price pressure in certain segments, which is presumably due to Covid-19. This has to some extent affected the Group's net sales but has not materially affect the Group's liquidity.

Events after the end of the period

During October 2020, all companies within the Group (except SÅCAB) were certified for ISO 14001, 9001 (quality) and 45001 (working environment).

Annual General Meeting

The Board has decided that the 2020 Annual General Meeting will be held in Stockholm on May 21, 2021. The notice will be issued in due order.

Audit

This report has been subject to review by the Group's auditors.

Assurance

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

Stockholm, 20 November 2020

Björn Andersson
Chairman of the board

Charlotte Hybinette
Member of the board

Anne-Lie Lind
Member of the board

Håkan Lind
CEO and Member of the board

Per Rosenmüller Nordlander
Member of the board

Ingalill Östman
Member of the board

Auditor's review report

Introduction

We conducted a review of the interim financial information summarized (interim report) for Bellman Group AB (publ) as of 30 September 2020 and the ninth-month period ending on this date. It is the Board of Directors and the President who are responsible for preparing and presenting this interim financial information in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Focus and scope of the review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 Review of Interim Financial Information Performed by the Company's Auditor. A review consists of making inquiries, primarily to persons responsible for financial and accounting matters, to perform analytical review and to take other review procedures. A review has a different focus and a much smaller scope compared to the focus and scope of an audit in accordance with ISA and generally accepted auditing standards. The audit measures taken during a review do not enable us to obtain such assurance that we become aware of all-important circumstances that could have been identified if an audit had been performed. Therefore, the pronounced conclusion based on a review does not have the assurance of a pronounced conclusion based on an audit.

Conclusion

Based on our review, no circumstances have emerged that give us reason to believe that the interim report has not been substantially prepared for the Group in accordance with IAS 34 and the Swedish Annual Accounts Act and for the Parent Company's part in accordance with the Annual Accounts Act.

Stockholm, 20 November 2020

PricewaterhouseCoopers AB

Nicklas Kullberg
Chartered Accountant

Financial calendar

Year-end report 2020	19 February 2021
Interim report Q1 2021	20 May 2021
Annual General Meeting 2020	21 May 2021
Interim report Q2 2021	20 August 2021
Interim report Q3 2021	17 November 2021

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www.bellmangroup.se
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Group condensed and consolidated statement of comprehensive income

SEK m	Note	Q3 2020 ¹⁾	Q3 2019 ¹⁾	YTD 2020 ¹⁾	YTD 2019 ¹⁾
Net Sales	3	422.6	437.4	1,264.8	1323.8
Other operating income		4.9	2.4	9.6	6.3
Total revenue		427.4	439.8	1,274.5	1,330.1
Operating expenses					
Raw materials and consumables		-292.2	-311.9	-874.3	-941.2
Other external expenses ²⁾		-13.3	-8.1	-44.3	-41.0
Personnel expenses ²⁾		-63.8	-61.4	-196.2	-189.9
Total depreciation, amortization and impairment		-24.0	-20.5	-71.2	-60.6
Profit/loss from shares in associated companies		1.6	0.3	1.9	1.8
Total operating expenses		-391.8	-401.5	-1,184.1	-1,230.9
Operating profit (EBIT)		35.6	38.3	90.4	99.2
Net financial items		-12.0	-12.4	-36.0	-35.8
Profit after net financial items		23.6	26.0	54.4	63.4
Income tax		-4.4	-5.5	-11.1	-13.2
Net profit for the period		19.3	20.5	43.3	50.2
Profit attributable to:					
- equity holders of the parent		19.0	19.8	41.8	48.9
- non-controlling interests		0.3	0.7	1.5	1.4
Earnings per share (SEK), basic and diluted		9.1	9.5	20.0	23.7
Average number of shares, thousands	9	2,087.0	2,087.0	2,087.0	2,060.4
Statement of other comprehensive income					
Net profit for the period		19.3	20.5	43.3	50.2
Exchange differences on translation of foreign operations		0.0	0.0	-0.1	0.0
Total comprehensive income for the period		19.3	20.5	43.2	50.2
Total comprehensive income for the period is attributable to:					
- Parent Company shareholders		19.0	19.8	41.7	48.9
- Minority interests income		0.3	0.7	1.5	1.4

¹⁾ The income statement for 2019 refers to Uppländska, Bellmans, VSM and the Parent Company for the period January - September and to Samgräv for the period February - September. The income statement for 2020 refers to Uppländska, Bellmans, VSM, Samgräv and the Parent Company for the Period January - September and to SÄCAB for the period March - September.

²⁾ There has been a reclass of expenses from the Interim Report January - September 2019 to show the same basis as 2020. Personnel related expenses of SEK 5.2 m has been moved from Other external expenses to Personnel expenses.

Group condensed consolidated balance sheet

SEK m	Note	End Q3 2020 ¹⁾	End Q3 2019 ¹⁾	End Year 2019 ¹⁾
Assets				
Intangible assets	6	482.8	508.8	456.3
Tangible assets		443.4	412.7	438.5
Non-current financial assets		23.1	15.7	12.1
Total non-current assets		949.3	937.2	906.9
Inventories		11.6	8.5	7.8
Current receivables		360.6	368.2	295.4
Cash and cash equivalents		144.9	115.5	153.4
Total current assets		517.1	492.2	456.6
TOTAL ASSETS		1,466.4	1,429.4	1,363.5
Equity and liabilities				
Parent shareholders' equity		407.7	338.2	366.0
Non-controlling interests		6.9	6.0	6.2
Non-current liabilities		723.3	744.4	703.6
Current liabilities		328.6	340.8	287.7
TOTAL EQUITY AND LIABILITIES		1,466.4	1,429.4	1,363.5

¹⁾ The statement of financial position for End of Q3 and End of Year 2019 refers to Uppländska, Bellmans, VSM, Samgräv and the Parent Company. The statement of financial position for end of Q3 2020 refers to all segments (including SÄCAB).

Group condensed consolidated statement of changes in equity

SEK m	Attributable to shareholders of Bellman Group AB						
	Share capital	Other paid-up capital	Reserves	Retained Earnings	Equity	Non-controlling interests	Total Equity
Opening balance, 1 January 2019	1.9	191.5	0.0	52.2	245.6	5.6	251.2
Net profit/loss for the period	0.0	0.0	0.0	48.9	48.9	1.4	50.2
Other comprehensive income for the period	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total comprehensive income	0.0	0.0	0.0	48.9	48.9	1.4	50.2
Issue of new shares	0.2	43.8	0.0	-0.3	43.7	0.0	43.7
Dividend	0.0	0.0	0.0	0.0	0.0	-1.0	-1.0
Transactions with shareholders in role as owners	0.2	43.8	0.0	-0.3	43.7	-1.0	42.7
Closing balance, 30 September 2019	2.1	235.3	0.0	100.7	338.1	6.0	344.1
Opening balance, 1 January 2020	2.1	235.3	0.0	128.6	366.0	6.2	372.2
Net profit/loss for the period	0.0	0.0	0.0	41.8	41.8	1.5	43.3
Other comprehensive income for the period	0.0	0.0	-0.1	0.0	-0.1	0.0	-0.1
Total comprehensive income	0.0	0.0	-0.1	41.8	41.7	1.5	43.2
Dividend (to minority)	0.0	0.0	0.0	0.0	0.0	-0.8	-0.8
Transactions with shareholders in their roles as owners	0.0	0.0	0.0	0.0	0.0	-0.8	-0.8
Closing balance, 30 September 2020	2.1	235.3	-0.1	170.4	407.7	6.9	414.6

Group condensed consolidated statement of cash flows

SEK m	Note	Q3 2020 ¹⁾	Q3 2019 ¹⁾	YTD 2020 ¹⁾	YTD 2019 ¹⁾
Cash flow from operating activities					
Operating profit		35.6	38.3	90.4	99.2
<i>Adjustment for non-cash items:</i>					
Depreciation and amortization		24.0	20.5	71.2	60.7
Other & non-cash items		-3.1	-2.0	-2.5	-5.9
Interest paid		-10.5	-10.3	-31.5	-30.0
Dividends from non-controlling entities		-	-	-	9.9
Income taxes paid / received		-6.3	-9.9	-11.4	-26.2
Cash flow from operating activities before changes in working capital					
Changes in working capital		5.9	-7.3	-20.5	-12.4
Cash flow from operating activities					
		45.6	29.4	95.7	95.3
Cash flow from investing activities					
Acquisition of subsidiaries	6	-	-	-41.4	-94.2
Investments in tangible assets		-7.1	-12.6	-31.0	-38.5
Sale of tangible assets		6.7	1.5	14.4	7.8
Cash flow from investing activities					
		-0.5	-11.1	-58.0	-125.0
Cash flow from financing activities					
Repayment of lease liability		-7.7	-3.4	-21.9	-9.9
Loans raised		-	-	-	95.9
Repayment of loans		-3.4	-	-23.5	-35.4
Dividends paid to minorities		-	-	-0.8	-
Cash flow from financing activities					
		-11.1	-3.4	-46.1	50.7
Cash flow for the period					
		34.0	14.9	-8.5	21.0
Cash and cash equivalents at the beginning of the period		110.9	100.5	153.4	94.4
Foreign exchange difference		-	-	-	-
Cash and cash equivalents at the end of the period					
		144.9	115.5	144.9	115.5

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

Parent Company - Condensed consolidated income statement and comprehensive income

SEK m	Note	Q3 2020	Q3 2019	YTD 2020	YTD 2019
Total revenue		4.8	3.3	14.4	11.1
Total operating expenses		-4.2	-6.4	-20.5	-19.8
Operating loss (EBIT)		0.6	-3.1	-6.2	-8.7
Net financial items		-9.4	-9.8	-28.1	-28.5
Loss after net financial items		-8.8	-12.9	-34.2	-37.1
Income tax		1.9	2.7	7.2	7.9
Net profit and comprehensive income for the period		-6.9	-10.1	-27.1	-29.2

Parent Company - Condensed consolidated balance sheet

SEK m	Note	End Q3 2020	End Q3 2019	End Year 2019
Assets				
Intangible assets		1.7	0.8	2.0
Tangible assets		1.8	1.0	0.9
Non-current financial assets		1,163.0	1,098.8	1,058.3
Total non-current assets		1,166.5	1,100.5	1,061.3
Inventories		0.0	0.0	0.0
Current receivables		8.0	3.6	7.5
Cash and cash equivalents		115.2	99.3	144.4
Total current assets		123.3	103.0	151.9
TOTAL ASSETS		1,289.8	1,203.5	1,213.1
Equity and liabilities				
Parent shareholders' equity		309.0	304.8	336.0
Non-current liabilities		968.1	875.1	848.5
Current liabilities		12.7	23.7	28.6
TOTAL EQUITY AND LIABILITIES		1,289.8	1,203.5	1,213.1

Notes to the financial statements

1 Summary of significant accounting policies

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

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

1.1 Basis of preparation of financial statements

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

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

2 Significant estimates and judgments regarding the accounting

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

3 Segment information

Description of segments and principal business activities

The Bellman Group's Group management comprises of the Group CEO, Group CFO, Group IR/Communication and the chief executives of the subsidiaries. This group constitutes the chief operating decision makers in the Bellman Group and evaluates the Group's financial position and results, as well as makes strategic decisions. Group management has determined the operating segments based on the information available to it that is used as a basis for allocating resources and evaluating results. Group management monitors operations based on the five operating segments Bellmans, Uppländska, VSM, Samgräv and SÅCAB. The parent company and the Group are followed up under Other. Group management primarily uses EBITDA before items affecting comparability in monitoring the Group's results.

Bellmans

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

Uppländska

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

VSM

VSM Entreprenad AB, with its subsidiaries VSM AS, Munthers Specialtransporter AB and VSM Rental AB, was acquired on 17 July 2018 and was founded in 1972. VSM is a construction machinery company with operations that mainly include rock and gravel handling at stationary and mobile crushing plants, contract-work with roads, tunnels, construction, and development, as well as brokerage contracts for machines and drivers. VSM operates throughout Sweden. The head office of VSM is in Kallhäll.

Samgräv

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

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

SÅCAB

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

Other (Parent Company & Group)

Bellman Group AB is the Group's Parent Company and was formed on 10 April 2017, with its registered office in Solna, Sweden. The Parent Company's operations include Group management and other group-wide services. The Parent Company owns 100% of the shares in Bellmans Åkeri & Entreprenad AB, Uppländska Bergborrnings AB, VSM Entreprenad AB, Samgräv Holding AB and SÅCAB Åkericentral AB.

Sales between segments are made on market terms. The income from external customers reported for the segments to group management is measured in the same way as in the Group's income statement.

Summarized financial segment information

	Q3 2020 ¹⁾	Q3 2019 ¹⁾	YTD 2020 ¹⁾	YTD 2019 ¹⁾	Pro forma YTD 2020 ²⁾	Pro forma YTD 2019 ²⁾
Net Sales, SEK m						
Uppländska	70.1	58.9	211.0	180.7	211.0	180.7
Bellmans	125.1	158.3	400.7	500.5	400.7	500.5
VSM	184.6	188.2	532.2	539.2	532.2	539.2
Samgräv	64.2	60.6	175.0	173.9	175.0	198.2
SÅCAB	29.9	0.0	89.1	0.0	119.6	115.3
Elimination, inter-company sales	-51.4	-28.6	-143.2	-70.5	-143.2	-70.9
Total net sales	422.6	437.4	1,264.8	1,323.8	1,295.3	1,462.9
	Q3 2020 ¹⁾	Q3 2019 ¹⁾	YTD 2020 ¹⁾	YTD 2019 ¹⁾	Pro forma YTD 2020 ²⁾	Pro forma YTD 2019 ²⁾
EBITDA before items affecting comparability, SEK m						
Uppländska	7.9	3.8	27.3	22.3	27.3	22.3
Bellmans	6.2	6.9	21.8	25.9	21.8	25.9
VSM	39.1	46.4	94.9	101.0	94.9	101.0
Samgräv	7.5	4.8	18.7	19.5	18.7	24.0
SÅCAB	1.2	0.0	8.2	0.0	15.2	13.8
Other	0.2	0.0	0.3	-0.2	0.3	-0.2
Total EBITDA before items affecting comparabil	62.2	61.8	171.4	168.5	178.3	186.7
	Q3 2020 ¹⁾	Q3 2019 ¹⁾	YTD 2020 ¹⁾	YTD 2019 ¹⁾	Pro forma YTD 2020 ²⁾	Pro forma YTD 2019 ²⁾
Operating profit (EBIT), SEK m						
Uppländska	3.4	0.4	14.1	11.9	14.1	11.9
Bellmans	1.7	3.9	9.9	16.7	9.9	16.7
VSM	26.2	31.6	56.5	62.1	56.5	62.1
Samgräv	6.0	2.5	14.4	15.5	14.4	19.6
SÅCAB	1.5	0.0	7.1	0.0	13.7	12.8
Other	-3.2	-0.1	-11.6	-7.0	-11.6	-7.1
Total operating profit (EBIT)	35.6	38.3	90.4	99.2	97.0	116.0
	Q3 2020 ¹⁾	Q3 2019 ¹⁾	YTD 2020 ¹⁾	YTD 2019 ¹⁾	Pro forma YTD 2020 ²⁾	Pro forma YTD 2019 ²⁾
Depreciation and amortization, SEK m						
Uppländska	-4.5	-3.4	-13.2	-10.1	-13.2	-10.1
Bellmans	-4.5	-3.3	-12.0	-10.0	-12.0	-10.0
VSM	-12.3	-12.5	-37.8	-37.2	-37.8	-37.2
Samgräv	-1.5	-1.2	-4.4	-3.3	-4.4	-3.6
SÅCAB	-0.5	0.0	-1.1	0.0	-1.5	-1.0
Other	-0.7	0.0	-2.7	0.0	-2.7	0.0
Total depreciation and amortization	-24.0	-20.5	-71.2	-60.6	-71.5	-61.9

SEK m	Q3 2020 ¹⁾	Q3 2019 ¹⁾	YTD 2020 ¹⁾	YTD 2019 ¹⁾	Pro forma YTD 2020 ²⁾	Pro forma YTD 2019 ²⁾
EBITDA before items affecting comparability	62.2	61.8	171.4	168.5	178.3	186.7
Items affecting comparability ³⁾	-2.5	-3.0	-9.8	-8.7	-9.8	-8.7
Depreciation, amortization and impairment	-24.0	-20.5	-71.2	-60.7	-71.5	-61.9
Financial items and untaxed reserves	-12.0	-12.4	-36.0	-35.8	-36.0	-35.9
Profit before tax	23.6	25.9	54.4	63.4	61.0	80.2
Working capital excl. Taxes, SEK m	Q3 2020 ¹⁾	Q3 2019 ^{1) 4)}	YTD 2020 ¹⁾	YTD 2019 ^{1) 4)}	Pro forma YTD 2020 ²⁾	Pro forma YTD 2019 ²⁾
Uppländska	26.7	31.4	26.7	31.4	26.7	31.4
Bellmans	-13.9	-5.2	-13.9	-5.2	-13.9	-5.2
VSM	53.3	44.3	53.3	44.3	53.3	44.3
Samgräv	3.6	-0.4	3.6	-0.4	3.6	-0.4
SÅCAB	6.5	0.0	6.5	0.0	6.5	7.1
Other	-3.4	-2.0	-3.4	-2.0	-3.4	-2.0
Total working capital excl. taxes	72.8	68.1	72.8	68.1	72.8	75.2

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

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

³⁾ YTD 2020 Items affecting comparability were reported in segments VSM and Other; For the period January - September, these totaled SEK -9.8 m (-8.7) and consisted costs for improvements in processes and procedures SEK -4.0 m (-7.1), acquisition costs SEK -3.7 m (-1.1), integration expenses SEK -0.8 m (-0.5 consolidation), non-deductible VAT SEK -0.7 m (0.0) and provision of costs related to a dispute in Norway SEK -0.6 m (0.0). Items affecting comparability; July – September was reported in the segments VSM and Other and totaled SEK -2.5 m (-3.0) and consisted of acquisition costs SEK -0.9 m (-0.1), Integration cost SEK -0.8 m (0.0), provision of costs related to a dispute in Norway SEK -0.6 m (0.0) and other costs SEK -0.2 m (-2.9).

Geographical sales split	% split Stockholm region	% split Gothenburg region	% split Rest of Sweden
YTD 2020			
Uppländska	51.2%	1.9%	46.9%
Bellmans	100.0%	0.0%	0.0%
VSM	59.7%	20.1%	20.2%
Samgräv	0.0%	100.0%	0.0%
SÅCAB	100.0%	0.0%	0.0%
Total Group	65.0%	20.3%	14.7%
YEAR 2019	% split Stockholm region	% split Gothenburg region	% split Rest of Sweden
Uppländska	66.3%	1.9%	31.8%
Bellmans	100.0%	0.0%	0.0%
VSM	60.4%	12.1%	27.5%
Samgräv	0.0%	100.0%	0.0%
SÅCAB	0.0%	100.0%	0.0%
Total Group	67.8%	17.4%	14.7%

Market sales split	% split	% split	% split	% split
YTD 2020	Housing	Infrastructure	Commercial /Industry	Other
Uppländska	9.4%	46.1%	31.6%	12.9%
Bellmans	11.3%	58.0%	13.1%	17.6%
VSM	0.0%	61.4%	13.4%	25.2%
Samgräv	18.6%	37.3%	18.6%	25.4%
SÅCAB	40.1%	40.1%	0.0%	19.9%
Total Group	9.5%	53.8%	15.8%	20.9%
YEAR 2019	% split	% split	% split	% split
	Housing	Infrastructure	Commercial /Industry	Other
Uppländska	19.7%	35.1%	30.1%	15.1%
Bellmans	9.4%	62.6%	10.8%	17.2%
VSM	0.0%	68.3%	6.2%	25.5%
Samgräv	38.6%	29.0%	29.0%	3.5%
SÅCAB	14.6%	58.3%	0.0%	27.1%
Total Group	11.5%	56.6%	12.9%	19.0%

4 Financial assets at fair value through profit or loss

The Group's financial assets measured at fair value through the income statement, consists of an early redemption option included in the bond loan which is recognized as a derivative. The Group has classified this financial instrument at Level 3 in the fair value hierarchy. The fair value of the derivative has been determined based on the present value and the discount rate applied has been adjusted for own credit risk. Unobservable inputs refer to the risk-adjusted discount rate and expected cash flows. As of 30 September 2020, the fair value was SEK 2.7 m (2.7 as of 31 December 2019).

At the time of purchase of Samgräv, a contingent purchase price was booked which as of 30 September 2020 amounted to SEK 12.5 m (12.3 as of 31 December 2019). The change from year end 2019 is fully attributable to the fair value update and has been taken over the income statement. The contingent purchase price is based on EBITDA for the period 2019-2022 and is classified at level 3 in the fair value hierarchy. No transfers between levels were made during the period.

5 Transactions with related parties

No transactions between the Bellman Group and its affiliates have materially impacted the Group's financial position or earnings during the period. For more information, see note 28 in the 2019 Annual Report.

6 Business combination

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

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

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

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

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

The acquired business contributed with net sales of SEK 89.1 m and net profit (EBIT) of SEK 7.1 m for the period March – September 2020. If the acquisition had been completed on 1 January 2020, a consolidated pro forma as of 30 September 2020 shows net sales of SEK 119.6 m and an operating profit (EBIT) of SEK 13.7 m. These amounts have been calculated based on the subsidiary's earnings after adjustments for differences in accounting policies between the Group and its subsidiary together with the related tax effects.

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

Acquisition-related costs for SÅCAB of SEK 3.3 m have been included in other external expenses in the income statement and in operating activities of the cash flows statement YTD 2020.

7 Pledged assets

There have been no significant changes in pledged assets.

8 Interest bearing liabilities

No new loans were raised during the first three quarters of 2020. The parent company has corporate bonds listed on Nasdaq Stockholm. This instrument is listed as BELLMAN GROUP AB 01 with 600 units (600 units), with a total outstanding nominal amount of SEK 600.0 m (600.0) and has a nominal value of SEK 1.0 m (1.0).

The bond rate is a variable interest, three months STIBOR plus 6.50%, which is paid quarterly in arrears. The bond matures in June 2022. Collateral has been provided by the Parent company in the form of shares in subsidiaries. The terms of the bond include an option that entitles the holder to an early redemption of the loan. This option is recognized as a derivative and is classified as a financial asset that is measured at fair value through the income statement. The terms of the corporate bond loan are available on Bellman Group's website.

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

The Group has certain tangible fixed assets and premises as well as some rights of use of land that are regulated by leasing agreements. As of 30 September 2020, the Group's leasing liabilities (non-current assets and rents) amounted to SEK 91.9 m compared to SEK 73.0 m as of December 31, 2019, of which SEK 62.8 m (50.8) were non-current liabilities and SEK 29.1 m (22.2) were current liabilities. The Group follows its strategy of moving its tangible assets from own books to leasing. This is mainly done to free up capital for new future business investments. In September, Uppländska resolved its older financial leasing contracts totaling SEK 3.4 m. These were paid in full to the leasing companies and remaining assets were capitalized in own books. The total amount for this type of debt is in the bond agreement set to SEK 10 m and the Group wants to ensure to stay below this ceiling.

Covenants

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

9 Shares and earnings per share

	Q3 2020 ¹⁾	Q3 2019 ¹⁾	YTD 2020 ¹⁾	YTD 2019 ¹⁾	Year 2019 ¹⁾
Number of shares					
Total number of shares, thousands	2,087.0	2,087.0	2,087.0	2,087.0	2,087.0
Total number of weighted average shares, before and after dilution, thousands	2,087.0	2,087.0	2,087.0	2,060.4	2,067.1
Earnings per share (SEK), basic and diluted	9.1	9.5	20.0	23.7	13.4

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

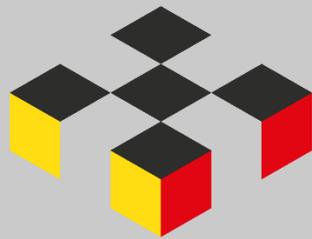
Definitions of performance measures

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

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

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

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



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