

The image shows a construction or mining site. In the foreground, there is a large, jagged rock formation with a mix of grey, brown, and orange hues, showing signs of weathering and cracking. In the background, several pieces of heavy machinery, including excavators with orange and black arms, are visible, working on a large pile of rubble or earth. The sky is a pale, overcast grey. A diagonal white line runs from the top right towards the center, separating the text from the background image.

ANNUAL REPORT 2020

BELLMAN GROUP

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Laying the foundation of tomorrow's society

Bellman Group possesses the skill, experience and commitment that are the basis of successful construction projects. Its core values of quality, skills and safety ensure that operations are conducted for the long term and sustainably.

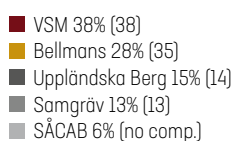
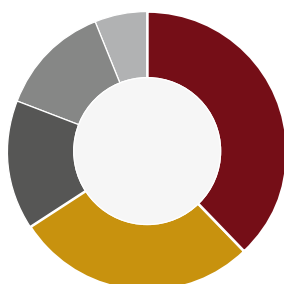
Our subsidiaries VSM Entreprenad AB, Bellmans Åkeri & Entreprenad AB, Samgräv Holding AB, Uppländska Bergborrnings AB, SÅCAB Åkericentral AB, and since January 2021, Ivarssons i Göteborg AB, constitute the Group's operating segments.

Our Group has an express acquisition strategy, and is seeking attractive operations in complementary service segments or geographical growth regions.

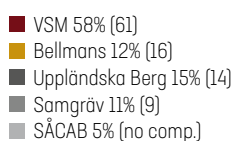
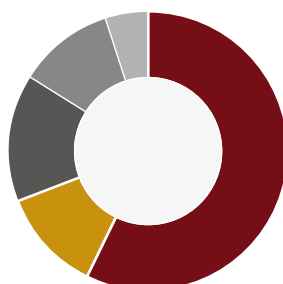
2020 in figures

- Net sales were SEK 1,677.5 m (1,755.5) a 4.4% decrease.
- EBITDA before items affecting comparability was SEK 224.1 m (214.1), a 4.7% increase. The EBITDA margin before items affecting comparability was 13.4% (12.2).
- EBITDA was SEK 208.7 m (201.7), a 3.5% increase. The EBITDA margin was 12.4% (11.5).
- Earnings before interest and taxes (EBIT) were SEK 112.7 m (119.1), a 5.4% decrease. The EBIT margin was 6.7% (6.8).
- Profit for the year was SEK 46.6 m (77.9).
- Basic and diluted earnings per share were SEK 21.4 (37.1)
- Cash flow from operating activities was SEK 136.1 m (147.4).

Share of net sales by segment, SEK m



Share of EBITDA before expenses affecting comparability by segment, SEK m



KEY INDICATORS, GROUP

SEK m	2020	2019	2018
Net sales	1,677.5	1,755.5	1,090.6
EBITDA before items affecting comparability	224.1	214.1	104.6
EBITDA margin before items affecting comparability, %	13.4	12.2	9.6
EBITDA after items affecting comparability	208.7	201.7	93.1
EBITDA margin after items affecting comparability, %	12.4	11.5	8.5
Earnings before interest and taxes (EBIT)	112.7	119.1	51.3
EBIT margin, %	6.7	6.8	4.7
Profit for the period	46.6	77.9	25.1
Earnings per share, basic and diluted, SEK	21.4	37.1	18.3
Cash flow from operating activities	136.1	147.4	56.5

Highlights in the year



Stable progress despite the pandemic

Covid-19 introduced uncertainty in the market. Despite this, our operations made stable progress. Net sales were impacted to some extent, through a couple of project delays, and price pressure in certain segments, although the Group's earnings improved. One important explanation was the high degree of infrastructure projects.

Acquisition-led growth

The Group continued its expressed strategy of growing through acquisitions.

During the year, the following companies were acquired:

- SÅCAB, which expanded Bellman Group's capacity in the Stockholm region, and brought access to a proprietary recycling center, which is strategically important.
- Losshållningsbolaget (LHB), a rock blasting specialist, and Ivarssons Entreprenad i Göteborg AB (Ivarssons), a ground work and civil engineering business, which gives Bellman Group a strong full-range position in the Gothenburg region.
- In addition, Bellman Group acquired a site in the Gothenburg region, with the intention of converting it into a landfill. Access to landfills at reasonable distance from project sites is important for environmental and cost reasons.



Increased Group collaboration

The number of projects where subsidiaries partner up to deliver complete solutions is increasing steadily. Customers appreciate these solutions because this eases their workloads, while Bellman Group can control and streamline transportation for a more sustainable approach. More on pages 11 and 14.

Resources for continued growth

To consolidate Bellman Group's financial position for further acquisitions, Bellman Group closed a new SEK 900 m bond in a total credit line of SEK 1.5 billion in combination with a senior secured bank financing of the amount up to SEK 250 million in January 2021. At the same time, principal shareholder Verdane increased its stake in Bellman Group to 72.3%, adding more resources for the ongoing acquisition strategy.

Sustainability

Bellman Group has produced its first climate statements which map the Group's main impact areas and where the Group can make the biggest difference. A new Group-level position, Corporate Communication & Sustainability Manager, was created in March 2021.



An eventful year

In many respects, 2020 was an eventful year. The pandemic caused uncertainty in the market, but our center of gravity in infrastructure meant that the impact on the Group was limited. At the same time, we continued expanding, bringing more companies and new colleagues into the Group. We also increased our potential for continued growth by attracting new capital through a combination of a new bond and bank finance, and our principal shareholder increased its Group investments.

Our operating activities were relatively unaffected by the pandemic. However, we did notice some negative impact in the haulage operations for Bellmans, with project delays and price pressure, primarily in the Stockholm region.

Several Group companies developed positively, and we continued to see more and more signs that our unique complete offering is in demand from customers. In Stockholm, the Slussen city center interchange and Skurubron highway bridge are major projects where we are collaborating within the Group. Our business in the Gothenburg region has expanded with the acquisition of Ivarssons, which we completed in January 2021, making our offering in this region even more solid. In January 2021, VSM opened an office in Gothenburg in response to the demand we're seeing there, mainly associated with the Västlänken sub-surface rail link. Infrastructure projects now represent over 70% of our sales, a segment that overall, is expected to grow by 10%, and according to the Swedish Construction Federation will amount to a total of SEK 112 billion in 2021.

Overall, this meant the Group's net sales were SEK 1,677.5 m (1,755.5), a 4.4% decrease. EBITDA before items affecting comparability amounted to SEK 224.1 m (214.1), a 4.7% increase. Considering the exceptional situation the whole global economy found itself during 2020, I'm delighted with what we've delivered.

Complete solutions driving our business

Our unique offering, with a complete concept for customers—primarily involved in major infrastructure projects, is attracting increasing attention and driving our business forward. We are clearly seeing growth in the number of projects involving more subsidiaries. This is something I'm convinced will increase further going forward, partly because we learn from each other within the Group, and partly because customers see the benefits of having a single contact from one provider instead of several from different providers.

Access to landfills at a reasonable distance from project sites is important for environmental and cost reasons, and part

of our offering, which we enhanced during the year by acquiring SÅCAB. Mass transport capability to our own landfills is a business opportunity that we intend to keep developing. At present, we have four landfills, and will open six new ones over the next three years.

Sustainability in focus

Given the industry we operate in, where we contribute to projects that will be used for many years, it's natural for us to act long term and sustainable. We're aware that our business and the projects we participate in impact the environment and climate. That's why this year we conducted the first mapping of our climate impact in a Climate Statement. The Climate Statement offers a view of how big our impact is, where within the Group it is greatest, and where we can make the biggest difference. With this experience, we can now prepare actions and set long-term objectives to reduce our emissions and help reduce climate change. This is vital work to protect future generations. To bring more focus to our sustainability work, we have also appointed Pernilla Enkler to a new position as head of Corporate Communication & Sustainability Manager.

Continued growth

Apart from Ivarssons we also acquired Losshållningsbolaget and SÅCAB, and we recently announced the acquisition of Norrvidinge. Norrvidinge with a turnover of just under one billion, expands the Bellman Group's geographical reach to southern Sweden and complements our comprehensive offer in a very good way. The interest from sector peers in joining our Group is substantial, and I'm getting a lot of proposals from businesses in different regions of Sweden that have taken note of our company and growth strategy. It is important to us that the acquisition candidates have strong brands, good customer bases and complement our offering.

Our capability to deliver on our growth strategy and developing the Group was significantly strengthened by two key events in January 2021. The first was the issue of a new SEK 900 m

“ Our unique offering, with a complete concept for customers primarily involved in major infrastructure projects, is attracting increasing attention and driving our business forward.



bond loan, with a credit line of SEK 1.5 billion with advantageous term compared to our previous SEK 600 m bond, which was redeemed in tandem with the issue. In the process, we met with some fifty investors, and their interest in participating in, and subscribing for, the issue exceeded our expectations. The second event was that Verdane, our principal shareholder since start-up, made some changes to the fund structure around Bellman Group. These actions resulted in Verdane increasing its stake in Bellman Group, and now holds 72.3% of the company. The remainder is still held by management and members of the Board of Directors. Having Verdane as our principal owner improves our potential to keep developing the Group, identify the right acquisition candidates and drive business development forward.

Outlook

Against this background, I'm looking forward to 2021 with confidence. We're seeing signs that our haulage business in the Stockholm region is on the road to recovery, and the demand for our complete offering is increasing steadily. We will keep our

focus on our growth strategy, and make more investments to leverage our opportunities and facilitate partnering within the Group. We will also continue to intensify our work regarding key sustainability issues, which we share with clients and customers. To further emphasise on collaboration and complete customer solutions, Magnus Persson (VSM) is being appointed COO and EVP of Bellman Group effective April 2021. I'm looking forward to developing my partnership with Magnus in his new role.

Our trade skills, experience and competence of our staff and collaborative partners are the foundation of this confidence. That's why I'd like to give a big thank-you to all who have been so committed in offering great service to our customers all year around.

Håkan Lind, CEO of Bellman Group

Continued investments in infrastructure

Bellman Group's growth potential is mainly dependent on continued investment in major infrastructure projects where Group companies can collectively deliver sustainable complete solutions. Projects like these include the Västlänken Gothenburg sub-surface rail link, the Förbifart Stockholm tunnel bypass and other rail network expansions. These projects are long term and further infrastructure initiatives are also expected which will benefit the Group.

The construction market can be divided into housing, infrastructure, commercial and industrial real estate, and other. The Swedish Construction Federation's business cycle report from October 2020 predicts housing construction, which has declined, remaining at this lower level, while civil engineering construction will support the construction cycle in 2020-2021. Investments in infrastructure and other civil engineering projects such as highways and rail traffic are predicted to grow by over 10 percent in 2021, and amount to a total of SEK 112 billion. This will benefit Bellman Group, with an infrastructure share, including material handling, of over 70 percent.

Geographically, more than half of construction and civil engineering investments are made in metropolitan regions, with Stockholm being dominant. Growth in Stockholm is dominated by infrastructure and manufacturing, while Gothenburg and Malmö are predicted to grow in all market segments. 63 percent of Bellman Group's sales originate from the Stockholm region and another 20 percent comes from the Gothenburg region.

Bellman Group's customer base is diversified, with fairly low project concentration, despite its largest customers mainly being major construction companies like NCC, JM, Skanska, and PEAB, with its biggest projects being large-scale infrastructure projects.

Infrastructure projects:

Stockholm:

- Roslagsbanan (urban rail link)
- Mälaren Line (regional rail link)
- Stockholm City Line (commuter rail link)
- Förbifart Stockholm (highway tunnel bypass)
- Tunnelbanan blå linjen (subway line)
- Tvårförbindelse Södertörn (highway link)
- Nya Skurubron (highway bridge)
- Högdalsdepån (subway rail depot)

Gothenburg:

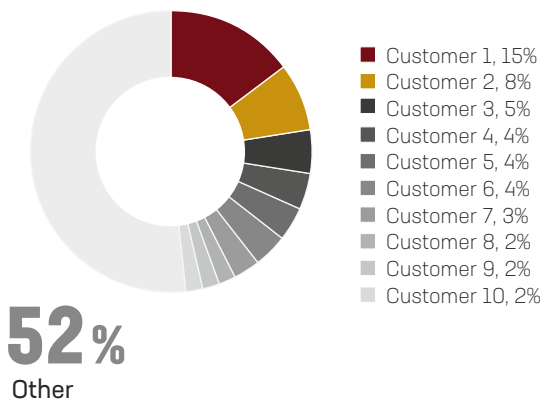
- Västlänken (sub-surface rail link)
- Marieholmsförbindelsen (rail bridge & highway tunnel project)
- Bälinge-Vårgårda (new highway and interchanges)
- Eriksberg tågförbindelse (rail link)

Rest of Sweden:

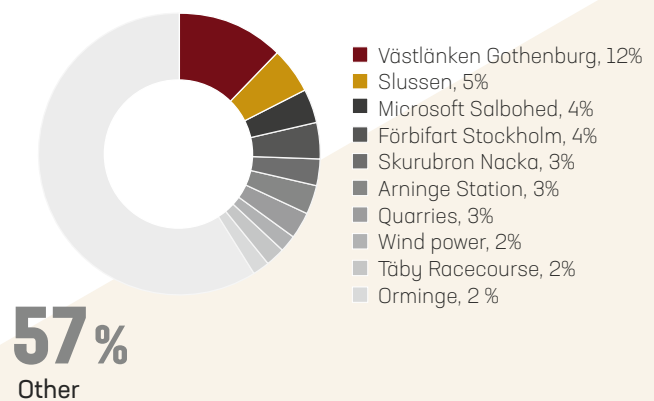
- East Link (high-speed rail project)



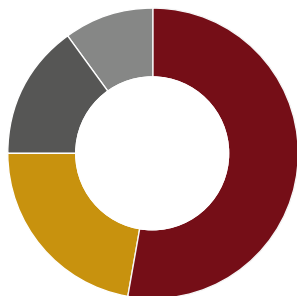
Diversified customer base



Low project concentration



Sales by market segment¹



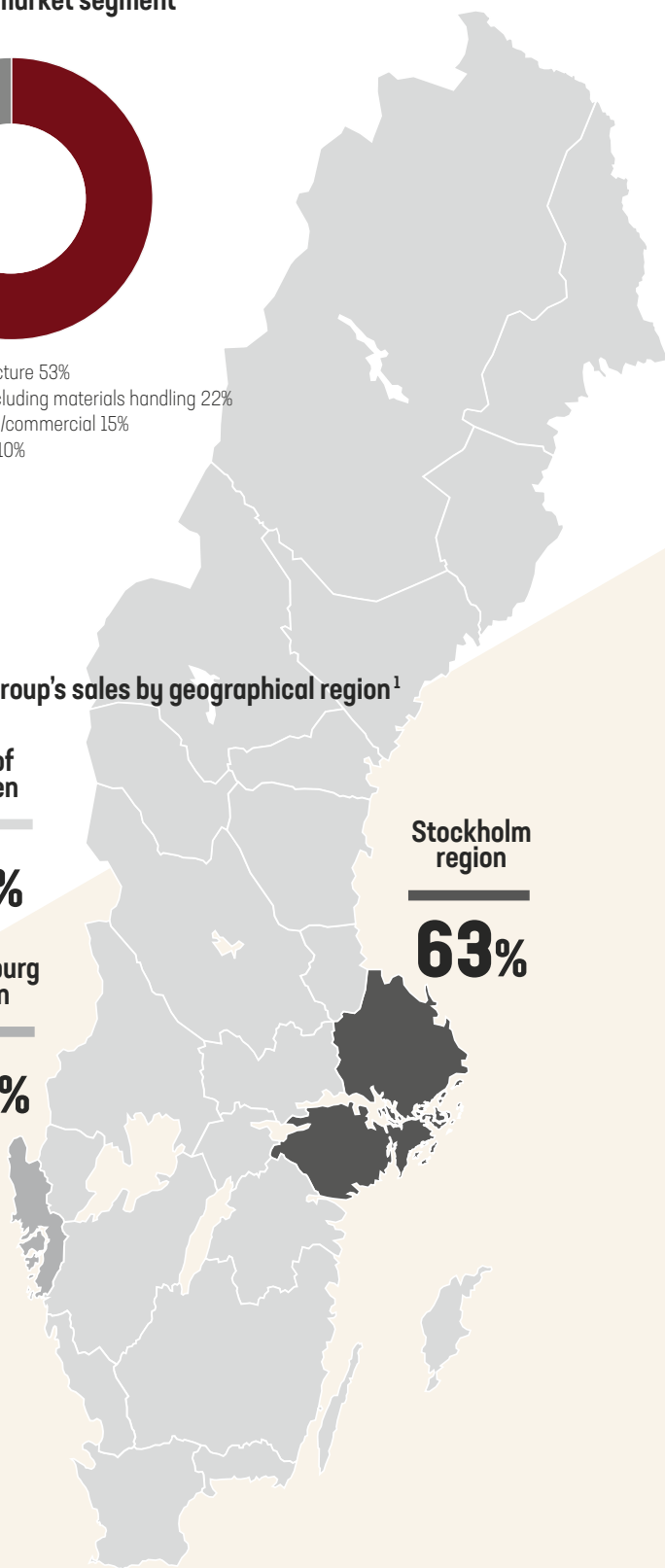
- Infrastructure 53%
- Other, including materials handling 22%
- Industrial/commercial 15%
- Housing 10%

Bellman Group's sales by geographical region¹

Rest of Sweden
17%

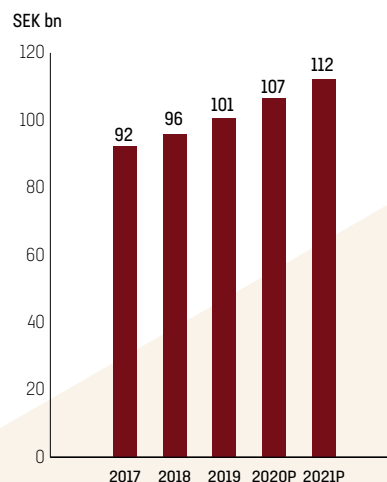
Gothenburg region
20%

Stockholm region
63%

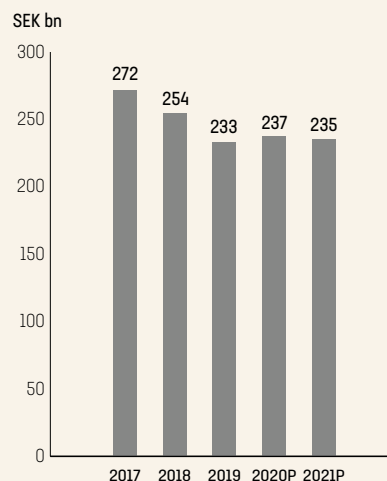


Construction investments in Sweden by market segment

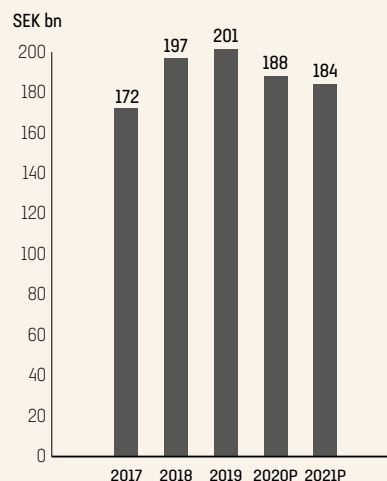
Infrastructure



Housing



Industrial and commercial real estate



¹ To illustrate Bellman Group's operational progress, January-December 2019 and 2020 are reported pro forma in the segment summary. Data for units acquired in 2019 and 2020 is reported as if the acquisitions were effective 1 January 2019.

Source: The Swedish Construction Federation, October 2020.

We make construction possible

Bellman Group has the skills, experience and commitment that are the foundation of successful construction and civil engineering projects. The Group is a pure subcontractor, providing services to construction and civil engineering companies, largely associated with infrastructure projects.

Sweden's construction and infrastructure initiatives feature growing complexity, placing demands on the collaborative partners of construction and civil engineering companies. Here, Bellman Group stands out with the scale and breadth of its proposition, and through its extensive experience of complex projects, where the demand for project management capabilities, skills and scheduling are critical success factors. Currently, there is no other groundwork provider who's offering is as broadly based, although Bellman Group does encounter smaller regional competitors. Bellman Group is the business leader through its unique positioning as a complete provider and has with its sustainability work and has established a presence as a preferred collaborative partner.

A decentralized business

Bellman Group's business model enables its subsidiaries to have a great influence and mandate over how the business develops.

All subsidiary Presidents are represented on Group Management. The sector is characterized by personal contacts and long-term customer relationships. The number of projects, where several Group companies collaborate to deliver a complete solution for customers, has steadily increased since the formation of the Group.

Shared support functions

As part of the company's endeavor to create a cohesive Group, streamline operations and create collective procedures to increase collaborative potential in the Group, Bellman Group has identified the following segments as essential to manage at Group level:

- Bellman Group has a common Group reporting system that is implemented in connection with any new acquisitions. This enables monthly updates and support of consolidation prior to reports for the Board of Directors as well as for external



2017

Bellman Group created
Bellman Group acquires Bellmans and Uppländska
A complete provider in mass handling is created.

VISION

We do not follow the development in the industry – we lead it.

MISSION

We make it possible to build.

BUSINESS CONCEPT

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

financial reporting. The governance model contributes structural capital and competence development within the group.

- Long-term progressive work on harmonizing the Group's IT environment has been initiated, which is designed to reduce the variety of suppliers and systems.
- Corporate communication and HR work is coordinated at Group level to improve the potential to grow and attract new colleagues and companies that want to join the Group. A project has been started on the Group's websites to coordinate and streamline external corporate communication.

Focusing on the environment and quality assurance

Bellman Group's sustainability is centralized, but executed com-

pletely by individual subsidiaries. Bellman Group has developed its sustainability through well-supported QA and safety work. The whole sector features high environmental standards; both the short perspective, for waste, hazardous material, etc., but also in a longer perspective, because these operations impact wider society through projects in infrastructure, as well as housing and commercial real estate.

With its complete proposition, including Group company partnering, Bellman Group has also been able to take more responsibility for rationalizing complete logistics chains. Bellman Group minimizes the number of transports, and maximizes value creation by recycling materials. This is where the company's landfills play a major role. For further information see the Sustainability Report on page 28.

Bellman Group acquires VSM

Expanded geographical presence outside Stockholm, and a stronger offering in the large machine segment.

Bellman Group acquires Samgräv

Permanent presence in the Gothenburg region, and an expanded offering including landfill and recycling of masses.

Bellman Group acquires Losshållningsbolaget,

active in quarrying and the civil engineering sector in southern and central Sweden. Losshållningsbolaget is part of Uppländska

Bellman Group acquires Ivarssons

and consolidates its offering in the Gothenburg region, including specialist services in deep excavation and marine-related assignments.

2018

2019

2020

2021

Bellman Group acquires SÅCAB

Access to a proprietary landfill in the Stockholm region.

Bellman Group acquires Bugärde

A site in the Gothenburg region with development potential as a landfill.

A complete offering

Bellman Group makes a full-range offering in rock blasting, excavation, haulage and mass handling. While some of its subsidiaries (e.g. VSM, Uppländska and Ivarssons) concentrate on one of these specialisms, others (e.g. Bellmans, SÅCAB and

Samgräv) cover several of them. Bellman Group offers customers attractive complete solutions by getting its subsidiaries to collaborate. The number of projects where several Group companies collaborate is increasing steadily.

	<h3>Blasting</h3>	
	<h3>Excavation and groundwork machines</h3>	
	<h3>Mass transport</h3>	
	<h3>Landfill, recycling and mass handling</h3>	

* Incorporated into the Group effective January 2021

High ambitions clearly paying off

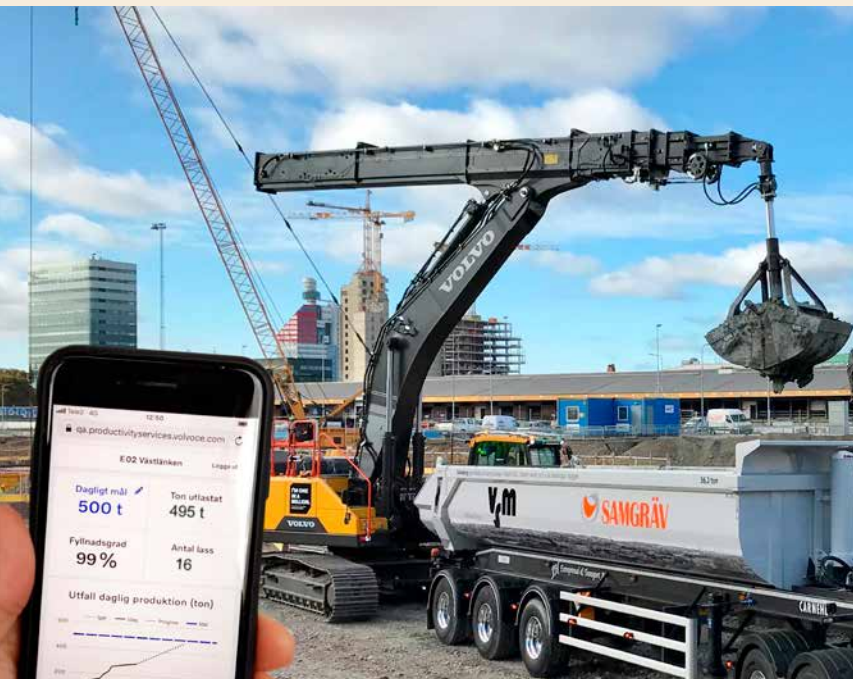
Millions of tons of surplus bulk from different construction projects around Sweden are land-filled and transported every year. The country has a wide array of reputable construction firms on the market, building everything from infrastructure, housing, preschools, to industrial real estate. But to do outstanding builds, the right conditions need to be in place.

Bellman Group is in the part of the construction business, which creates the right conditions for buildings to become a reality. The Group disposes of enormous volumes of demolition material and surplus bulk that need to be transported, recycled, land-filled or processed, to enable construction firms to start building.

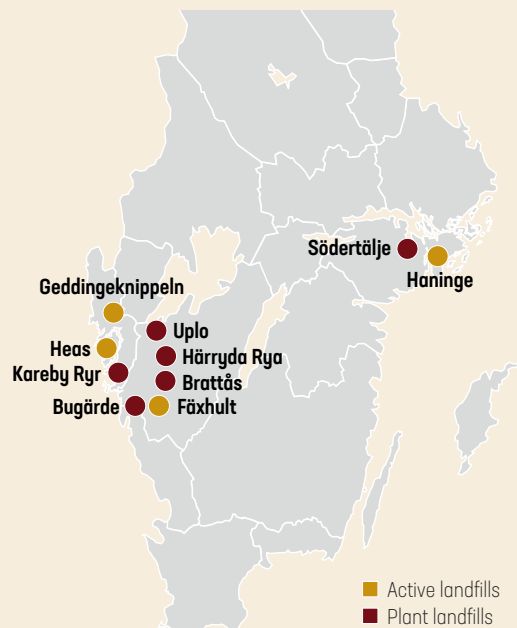
Bellman Group currently owns three landfills, leases a fourth, and has recently acquired two more sites strategically located close to major infrastructure projects, including Bugärde and HARRYDA RYA. Closeness and ownership control over landfills is a competitive advantage, offering more potential, primarily for recycling and processing (see map).

In 2020, Bellman Group continued its extensive efforts to optimize, identify and analyze bulk processing on several current projects. This was integrated into its business in 2020, to streamline the overall process involving machinery, logistics, bulk processing and systematic environmental work. Efficient Offloading (page 14) is one of these projects, where VSM teamed up with Volvo and the customer to help reduce environmental impact by implementing digital solutions.

Part from always setting challenging standards for the Group's transportation and machinery, Bellman Group also offers the option of environmental friendly (like HVO), which cut CO₂ emissions by over 90 percent.



Attractive locations



Sustainable growth at low risk

Bellman Group is executing a strategy that is summarized in five points: Broad Proposition, Low Risk, Sustainability, Focus on Landfills and Acquisitions.



Broad Proposition

Bellman Group's broad proposition of services in rock blasting, excavation and other groundworks, transportation and landfill, recycling and processing bulk, enables efficient and sustainable processing end to end in the logistics chain, which adds value to customers and projects. Transportation can be optimized in terms of weight and runs, and **inte** while Bellman Group can also expand its business by selling bulk from its landfills.

Through cooperation between the subsidiaries, the Group can offer comprehensive solutions that are attractive to customers and opportunities for both efficient resource planning and additional sales. The possibility of comprehensive solutions adds value to customers and enables Bellman Group to take market share and thus organically grow faster than the company's main market. The share of projects involving several Group subsidiaries is increasing steadily.

Low Risk

Bellman Group strives in various ways for low business risk. An important basis is the focus on infrastructure projects, which have historically shown strong growth during recessions.

An additional factor contributing to low risk is that the Group only own about a quarter of the vehicles used in the projects, the rest belong to subcontractors.

This means the vehicle fleet can be tailored to demand, while Bellman Group's own machinery maintains high capacity utilization. This reduces risk, simultaneous with Bellman Group being a flexible provider that helps its customers address challenges through project life-cycles. The remuneration model is also variable, and project risk is kept low by charging by volume or man-hours.

Sustainability

Being successful in a sector where projects and relationships are long term means the Group needs to act sustainably. For Bellman Group, this requires being an attractive employer, capable of hiring and developing people whose work is executed with skill, quality and safety. In an operation involving different types of vehicle and machinery, it is also natural to try to reduce the consumption of diesel and chemicals in different ways. Sustainability is also involves responsibility and business ethics. Bellman Group has a clear customer focus at all levels, and its

designated team leaders are present on projects to ensure customer needs are met.

Focus on Landfills

Bellman Group currently has access to four attractively located landfills in the Stockholm and Gothenburg regions, and is planning for another four in 2021. The need to dispose of bulk is central to many projects, and if Bellman Group can direct bulk haulage to its own landfills, this is a competitive advantage. Some bulk can be converted, repurposed, and resold to third parties, but most bulk is used for soil preparation at landfills so that it can be repurposed. Bellman Group owns and leases sites and landfills. At present, landfills represent a small share of Group sales, but for a relatively larger share of profitability.

The need for available landfills to handle masses from large projects are growing in line with major infrastructure projects nationwide, and in the long run, a completed area means an additional opportunity for Bellman Group. More on page 11.

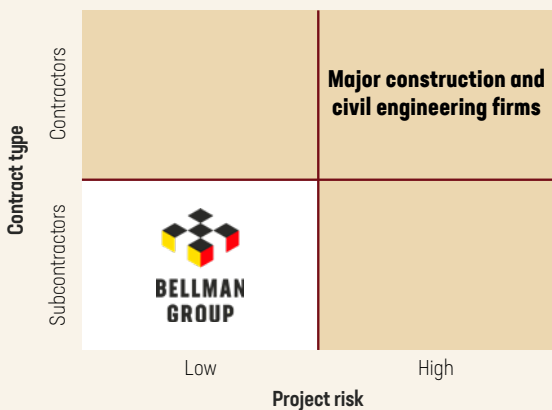
Acquisitions

The Group's ambition is to grow through acquisitions and the expansion plans reflect the infrastructure investments planned in Sweden. An established model is used to continuously evaluate potential acquisitions, both companies that the Group has identified and those that contacts Bellman Group independently. The Group is primarily looking for acquisition targets that are established, profitable entrepreneurial companies with strong local links which can complement the Group's offering.



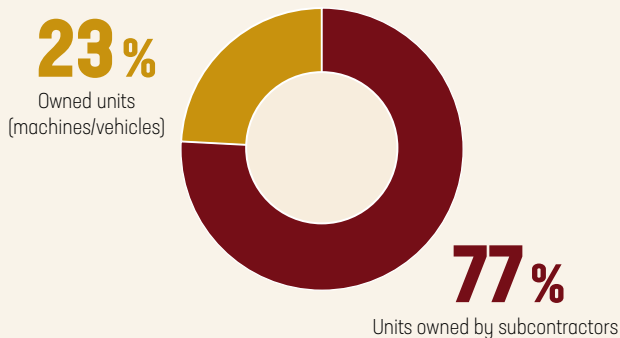
Revenue synergies are more important than cost synergies. Part from financial stability, Bellman Group can offer potential acquisition targets the opportunity of extra sales and support on central functions. Bellman Group capability of remaining an attractive employer and partner to subcontractors is a critical factor in its screening process.

Tried-and-tested business model – Bellman Group operates as a partner to the major construction firms

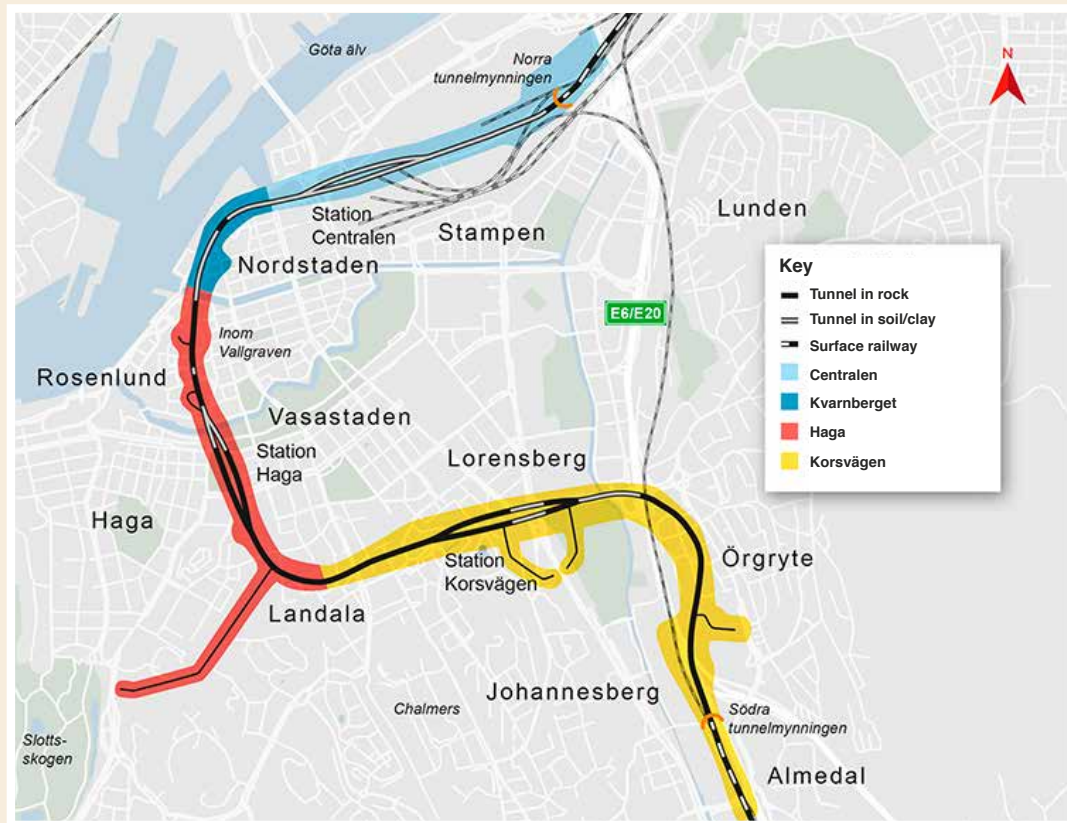


Bellman Group is a subcontractor to the major construction firms, and because its remuneration model is largely variable, the Group assumes low risk.

Subcontractors enable flexibility



By appointing subcontractors, Bellman Group can adjust the number of available machines and vehicles to match customer needs, which increases flexibility and reduces risk.



Västlänken – we're reducing CO₂ emissions

Västlänken is a double-track rail link under construction in central Gothenburg. The link will eventually be 8 km long, with 6 km in tunnels. Three sub-surface, quadruple-track terminuses are being built at the central station. Haga-kyrkan and Korsvägen are part of the West Sweden package, which includes major highway, rail and public transport initiatives. This will make the regional rail system less vulnerable, enabling passengers to access more locations across Gothenburg by train. The project started in 2018, and is scheduled to go live in 2026. The budget is SEK 20 billion.¹

The initial partnership with NCC at Stage 02, Centralen, enabled Bellman Group to test the digital service that NCC and Volvo Trucks have jointly developed to streamline loading and excavation of bulk. This project is fully consistent with Bellman Group's own philosophy of efficiency and sustainable solutions, and meant that NCC gained a partner capable of delivering a complete solution of groundwork machines, loading and transportation of soil, and some landfilling. By digitalizing processes, work planning can be executed with precision, and production decisions taken in real time, enabling a

better, safer working environment, for drivers, machine operators and production staff.

"In fall 2018, Bellman Group secured its first contract through VSM Entreprenad AB to prepare for the expansion of Gothenburg Central Station Stage 02. Since then, assignments have expanded to also include Group companies Samgräv and Uppländska berg, to include additional contracts on Västlänken now including

“The fact that VSM and Bellman Group are taking the lead, continuing this exciting project by ensuring we carry full loads, thus helping reduce the traffic associated with Västlänken in the Gothenburg region is great,” says Johan Nyström, Production Manager at NCC Infrastructure.

undertakings on planned Stages 03 Kvarnberget, 04 Haga and 05 Korsvägen/Almedal. This is an amazing opportunity for us to showcase Bellman Group's complete offering on a single infrastructure project, and partner with all the main contractors on Västlänken,” comments Magnus Persson, COO and EVP Bellman Group.

Bellman Group's digital "Efficient Offloading" service means excavators and trucks can communicate with each other. Digital scales are installed on excavators, enabling operators to

predict the precise weight to be loaded, while trucks gain an app, which tracks position constantly so load planning can be optimized. Once the truck has the correct volume of bulk loaded, transportation documents are transmitted digitally to the truck stating material designation, load weight, and destination. This eliminates delays and incorrect transports, and the outcome for the stages of the Central Station

Phase is some 8,000 fewer truck transports, or a 1,000-ton reduction in CO₂ emissions.

"The fact that VSM and Bellman Group are taking the lead, continuing this exciting project by ensuring we carry full loads, thus helping reduce the traffic associated with

Västlänken in the Gothenburg region is great. Because VSM is with us on this, we'll be able to roll out this service, also improving flows on other stages of Västlänken" comments Johan Nyström, Production Manager at NCC Infrastructure, who has been helping develop "Efficient Offloading" jointly with Volvo Trucks since 2019.

¹ Year-2009 monetary value.



Bellman Group companies

Bellman Group has a full-range offering in rock blasting, excavation, haulage and mass handling. The Group's broad-based proposition is attractive to customers, and partnerships between subsidiaries enable extra sales. The Group has an express acquisition strategy, and screens operations in complementary service segments or geographical growth regions.





Imans

СЕРВЕКО

03

VSM

VSM is a construction machinery company with a nationwide offering. Its customer base consists of construction firms that need assistance on various types of excavation work that require machinery too large for public roads. Assignments may involve uncovering rock, unloading from tunnels or crushing and hauling bulk rock.

This company is mainly involved in infrastructure projects such as roads, railways or airfields, such as the Västlänken sub-surface rail link in Gothenburg and Förfärd Stockholm tunnel bypass. Infrastructure projects represent the majority of sales. Operations involve rock and aggregate handling at stationary and mobile crushing facilities, excavation for roads, tunnels, civil engineering and project development, and renting machines and operators. The company utilizes over 400 machines, of which some 50% belong to subcontractors. Engineering and field service activities are also conducted from its head office in Kallhäll.

VSM utilizes machines like dumpers, wheel loaders, excavators and bulldozers. The VSM group also includes Munthers specialtransporter, a logistics provider with machine trailers, to transport machinery. As part of regenerating its machinery, VSM invested in 27 Caterpillar machines in 2020, 13 being wheel loaders, 10 excavators and 4 dumpers. Adapting to more stringent safety and environmental standards is one of the Group's priorities, and is becoming more central in all projects.

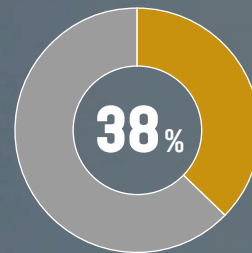
The Skurubron highway bridge concluded in 2020, but has a number of follow-up projects. The significance of the Gothenburg region is growing for VSM, and the company is currently serving several contractors on different stages of the Västlänken sub-surface rail link project. Other major projects include a new logistics hub for Mathem in Farsta near Stockholm, and a car park at Dagab's new warehouse in Bålsta, north of Stockholm.

The provision of mobile crushed aggregates is expanding, and VSM is now working on this for several major construction firms. Collaboration between Group subsidiaries has continued to expand, as is especially apparent on Västlänken. Other Group subsidiaries are involved on all the projects where VSM is active. VSM has since 2021 an office in Gothenburg.



Sales
SEK **707.0** m

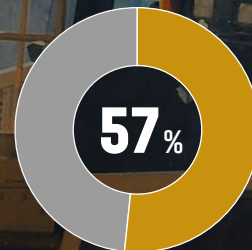
Share of Group



EBITDA before items
affecting comparability

SEK **128.9** m

Share of Group



→ VSM is active nationwide in Sweden, in Gothenburg and elsewhere, where the company operates over 30 machines.

Services -VSM

Crushing

State-of-the-art, complete equipment operated by experienced staff to deal with all types of crushing.

Tunneling

Large, late-model and expedient machinery manned by operatives with long-term experience of loading and transporting bulk rock from tunneling.

Rental

VSM has an up-to-date fleet of machines for hire without operators.

Hourly and volume-based payment

Bellmans

Stockholm is growing through infrastructure initiatives and the construction of commercial real estate and housing. Masses need to be transported to or from projects like the Förbifart Stockholm tunnel bypass, the Slussen city center interchange, or housing construction projects. The process should be optimized from the construction firm's perspective, while also showing consideration to neighbors, traffic routes, and not least, the environment

Bellmans conducts rock and soil excavation on its own and on behalf of clients, delivery of aggregate and crushed aggregate, and rents trucks and construction machines with operators. The company utilizes over 500 vehicles of different types each day, of which Bellmans owns some 10 percent and the remainder belong to subcontractors. Operations are concentrated to Greater Stockholm, with sales mainly related to infrastructure projects. One of Bellmans' competitive advantages is that the company maintains a broad network of haulage firms and machine owners, enabling flexibility and responsiveness to customer needs.

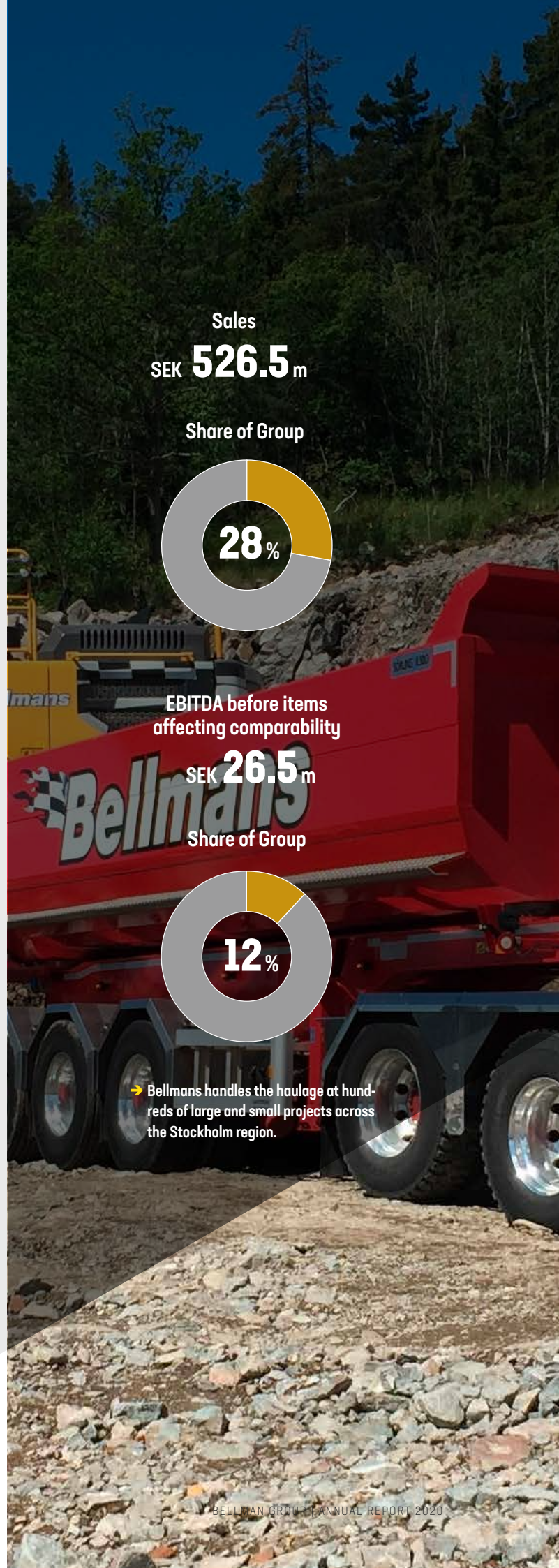
Bellmans has had a long-term focus on technology, the environment and quality. It secured ISO9001 and 14001 certification as early as 2000, and to satisfy customer demands for emission reporting, fully automated order flows, quality control and all vehicles have computers and apps linked to order management systems and invoicing.

Work on collaborating with fellow subsidiaries VSM, Uppländska and Săcab, which was acquired in early-2020, continues. These companies partner on different projects like the new Skurubron highway bridge, Arninge Station and Mathem Farsta logistics hub.

The pandemic had a fairly profound impact on Bellmans, unlike other Group companies. Bellmans encountered increased competition due to delayed project start-ups and price pressure during the year. The company is now seeing signs that the greatest concerns are fading, with order intake increasing and as a result, projects restarting, which overall, means that Bellmans takes a positive view of 2021, anticipating recovery.

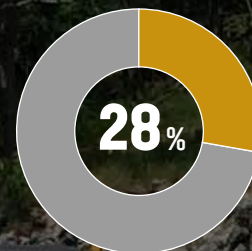


En del av Bellman Group



Sales
SEK **526.5** m

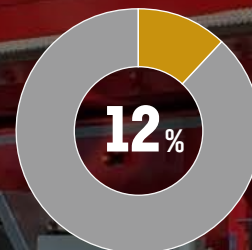
Share of Group



EBITDA before items affecting comparability

SEK **26.5** m

Share of Group



→ Bellmans handles the haulage at hundreds of large and small projects across the Stockholm region.

Services - Bellmans Åkeri

Excavation & haulage

Haulage of different materials and volumes. Bellmans holds local authority permits to transport waste and hazardous materials.

Construction machinery

Wheel and track excavators, wheel loaders, dumpers, excavator loaders, crawler loaders, mobile cranes, telehandlers with work platforms, graders, street sweepers, snowploughs and other types of specialist machinery.

Crane trucks

A broad selection of crane trucks from two to four axles with all the necessary attachments such as jibs, as well as tipper trucks.

Hourly and volume-based payment



Uppländska

Most of Sweden's infrastructure or construction projects are built on rock or stone. Uppländska possesses the skills to blast substantial rock masses to make space for windpower plants, or for projects such as lowering the floor level of Sweden's National Museum by several meters through internal precision blasting and drilling.

Owning over 60 proprietary machines, backed by subcontractors where necessary, Uppländska has a Swedish nationwide offering. In 2020, some 40 percent of sales were in infrastructure, and the remainder from industrial and commercial real estate, and housing construction.

Blasting and drilling are high-risk projects, with rock blasting work in populated areas being especially demanding. The key to Uppländska's success is its skill, experience and continuous training and developing of its workforce all employees. The number of staff taking in-house training packages in the year increased. Depending on their specialisms, Uppländska's people possess the necessary permits for rock blasting and drilling, machine operating, specialist training in surface blasting, blasting technology, electronic detonators. Everything necessary to be able to carry out qualified work in a safe and secure way. Uppländska holds ISO 14001, 9001 and 45001 certifications.

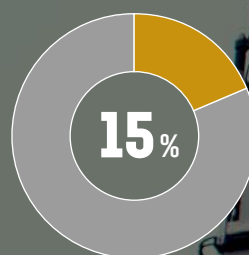
In 2020, several major wind farms in central and northern Sweden had a positive impact on sales despite the company being affected by a housing market downturn. The Västlänken sub-surface rail link infrastructure project in Gothenburg also grew during the year, which runs in cooperation with other Group companies. The acquisition of LHB in December 2020 means that Uppländska is even stronger foothold in Gothenburg and the southern province of Småland. LHB's integration into Uppländska has commenced. Investing in machinery to offer customers and staff newer, more environmental machinery, continues



En del av Bellman Group

Sales
SEK **279.3** m

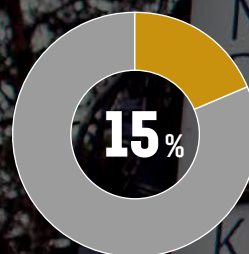
Share of Group



EBITDA before items
affecting comparability

SEK **33.3** m

Share of Group



→ Uppländska's offering Swedish nationwide.

Services - Uppländska

Rock drilling

Extensive and up-to-date machinery with drilling rigs with GPS and anti-dust equipment, and often, soundproofing for drilling in noise-sensitive environments.

Wire sawing

Wire sawing is used where rock blasting is unsuitable or as preparation for blasting on vibration-sensitive projects. Also used for creating contours close to the theoretical contour, for example when rock faces are to be visible, or for pre-casting concrete constructions

Rock blasting

Experts in precision rock blasting in city centers and other sensitive environments, and underwater. All types of rock blasting assignment, from single-family home foundations to high volumes in sensitive environments, or on major infrastructure projects.

Rock splitting

Hydraulic rock splitting is a vibration-free method for extracting rock. It is used to extract rocks close to very sensitive buildings or where blasting is unsuitable for other reasons.

Primarily volume-based payment

Samgräv

Samgräv provides major projects such as the Västlänken sub-surface rail link in the Gothenburg region with products and services in masses and materials handling. Samgräv operates proprietary inert landfills, soil processing, recycling facilities and quarries, and provides haulage and machine rental. The company does not own any machinery.

One of the company's competitive advantages is that it owns landfills and recycling centers close to each other, while also offering machine rental and haulage. This creates environmentally friendly and cost-efficient complete solutions for customers that shorten transport runs, and accordingly, reduce CO₂ emissions.

Nearly 20 percent of sales relate to housing construction, while infrastructure now provides over 60 percent.

In 2020, Samgräv focused on identifying, addressing and developing new sites for soil processing, landfill, recycling and quarries. Samgräv currently has three active landfills/civil engineering waste sites in the Gothenburg region, and another five landfills/civil engineering waste sites are planned to open over the next 2-4 years, one being in Södertälje, south of Stockholm.

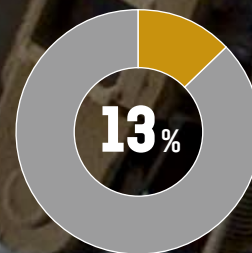
In partnership with Volvo and fellow subsidiary VSM, Samgräv has been working on streamlining transportation with two-way loads, and improving capacity utilization levels to minimize its environmental impact during its work on Västlänken. VSM and Samgräv continued the process started by VSM and NCC jointly on Västlänken stage 02, on stages 03, 04 and 05, where VSM is the customer's contract counterparty.

In 2021, Samgräv will maintain its focus on collaborating more closely with customers to satisfy needs more optimally, and find smart, environmentally efficient and cost-effective solutions together. VSM and Uppländska berg [including LHB] are working jointly with fellow subsidiary Ivarssons (part of the Group from January 2021) to increase the potential to offer customers complete solutions, so they have a single collaborative partner.



Sales
SEK **235.1** m

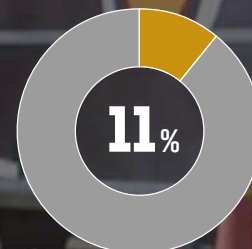
Share of Group



EBITDA before items
affecting comparability

SEK **25.0** m

Share of Group



→ Samgräv offers customers cost-efficient and environmentally efficient complete solutions on a large number of projects across western Sweden.

Services - Samgräv

Agency and renting

Samgräv provides all types of construction machinery, trucks, crane trucks, tractors and surface compactors etc., including drivers and operatives.

Landfill

Samgräv provides mass unloading and haulage in Greater Gothenburg at its landfills and soil processing plants.

Recycling

Environmental recycling of waste materials.

Materials sales

Sales of crushed product, aggregates, graded soil, bark chips, etc.

Excavation and groundwork machines, as well as bulk haulage - hourly and volume-based payment

Landfill, recycling and bulk handling - volume-based payment

SÅCAB

SÅCAB rents trucks and construction machinery for all types of civil engineering work, as well as owning and operating a landfill for inert excavation masses, and recycling various types of aggregate/crushed aggregate/soil south of Stockholm. Bellman Group acquired the company in March 2020.

SÅCAB provides all types of transportation and excavation for the construction and civil engineering sectors, including soil remediation, supplying aggregate/crushed aggregate etc. SÅCAB disposes over some 60 construction machines and trucks.

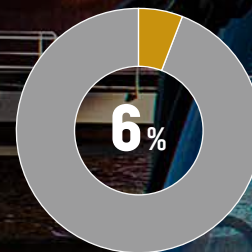
One of SÅCAB's competitive advantages is its ownership of a landfill south of Stockholm, which can receive and process inert (clean) excavation masses that can be reused in different projects. Access to a landfill in the Stockholm region means that Bellman Group can shorten its transport runs of masses to and from construction projects, which is profitable and environmental friendly. Collaboration between SÅCAB and other Group companies like VSM, Uppländska, and especially Bellmans Åkeri began during the year, with a very positive outcome and this continue to expand.

SÅCAB's operations have during the year been affected by the pandemic, which has led to declining demand, increased competition and delaid projects. In addition to this, deposit at a lower average price has affected the sales due to greater intake of wet mass (higher price) during 2019, compared to 2020.



Sales
SEK **122** m

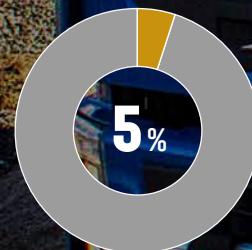
Share of Group



EBITDA before items
affecting comparability

SEK **10.8** m

Share of Group



→ SÅCAB mediates transport and machine services with its own recycling operations in Fors.

Services - SÅCAB

Excavation & haulage

SÅCAB conducts all types of soil and rock excavation. Its center of gravity is on excavation haulage, as well as the haulage of soil, aggregate and crushed aggregates. SÅCAB can also provide asphalt haulage.

Construction machinery

SÅCAB disposes over some 60 units of all sizes.

Landfill

SÅCAB operates its own recycling center in Fors, north of Stockholm, where excavation bulk is landfilled.

Excavation and ground work machines, as well as bulk haulage

- hourly and volume-based payment

Landfill, recycling and bulk handling

- volume-based payment



Sustainability Report

Bellman Group does preparatory work for construction projects and major infrastructure projects that people will use for many generations. This is why it is natural for the Group to operate on a long-term, sustainable basis. Bellman Group wants to be a company that its customers, subcontractors and employees can trust.

To enable success in a sector where projects and relationships last a long time, Bellman Group also needs to act for the long term. Customers are increasingly demanding sustainable and environmental services, while collaborative partners and suppliers want to team up with stable actors. Current and future colleagues want to work for companies that take responsibility and have fair, inclusive values. Bellman Group is also convinced that sustainability contributes to long-term growth. To evolve and grow as a company, Bellman Group needs a balance between financial, social and environmental factors.

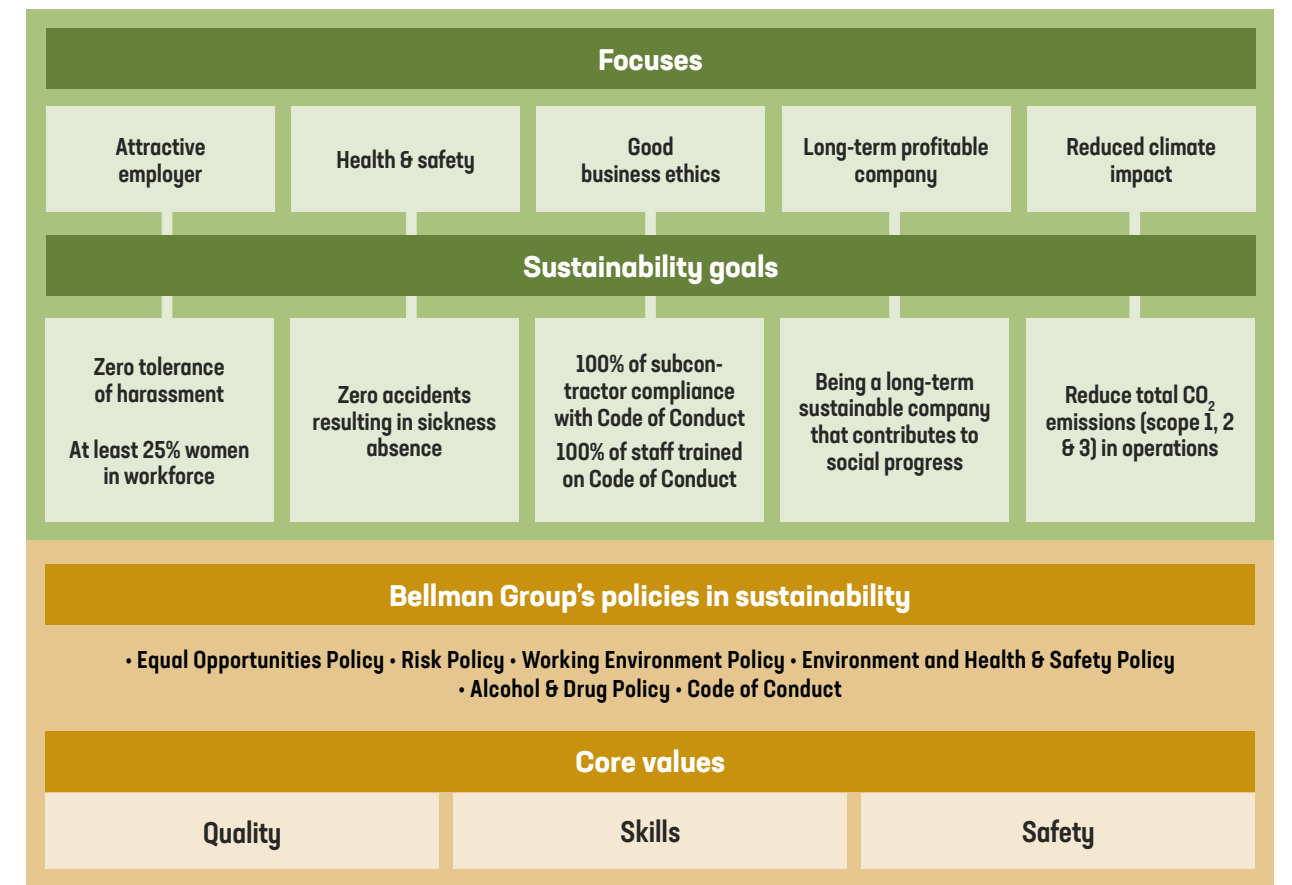
Bellman Group's Sustainability Report for 2020 is found on pages 28-33. The Report is the Group's legal sustainability statement as defined by the Swedish Annual Accounts Act, and is issued by the Board of Directors. The Sustainability Report covers parent company and its subsidiaries.

It is for the financial year 2020, and the period 1 January-31 December. Content is based on a materiality analysis conducted in 2019.

Framework of sustainability work

Bellman Group's Board of Directors adopted a number of sustainability goals for operations in 2019. In 2020, the Group worked on structuring the monitoring and reporting of these goals, as well as consolidating and summarizing sustainability information at Group level. Mapping the Group's climate impact in a Climate Statement was part of these efforts. A number of new goals were also adopted in the year, based on the outcome of key performance indicators adopted in 2019. All Group companies work actively on several sustainability issues and monitor most of the KPIs within the company's management sys-

Bellman Group's sustainability framework



tems, ISO 9001, 14001 and 45001.

Governance and management

Bellman Group's CEO bears ultimate responsibility for sustainability work, but day-to-day operations and monitoring have been delegated to the company's HR & Sustainability Manager. Each company has an individual that coordinates work on data capture for quality assurance, environment and health & safety issues.

The Group's Board of Directors has adopted sustainability-related policies, which in combination with the Group's core values, direct how they can contribute to sustainable development with customers and suppliers. These policies are based on national legislation, industry regulation and the UN Global Compact, as well as the UN Guiding Principles on Business and Human Rights.

Bellman Group's Board of Directors has adopted the following policies relating to sustainability:

- Alcohol & Drug Policy
- Working Environment Policy
- Equal Opportunities Policy
- Environment & Quality Policy
- Risk Policy
- Code of Conduct

The Group utilizes a management system for monitoring quality, the environment and health & safety based on the systematics of ISO standards. From this foundation, the Group conducts risk analyses, goal and action-plans and non-compliance case management. Thorough reporting and follow-ups enable continuous improvement of operations, and the Group can then comply with stakeholders' standards, needs and expectations.

During the year all companies within the Group received relevant ISO certifications (ISO 9001, 14001 and 45001), except SÅCAB which is currently certified according to 14001.

Stakeholder dialogue and materiality analysis

A stakeholder dialogue was conducted in 2019 to increase understanding of the sustainability issues of significance to the Group's stakeholders. Bellman Group's primary stakeholders are customers, employees, subcontractors, the Board of Directors and Management. The sustainability managers of a number of business peers were also enrolled. The stakeholder dialogue was conducted using in-depth interviews and surveys. Based on this dialogue and analysis of Bellman Group's economic, social and environmental impact, a materiality analysis was produced, defining the material sustainability segments. Working from its materiality analysis, Bellman Group decided to focus its strategic sustainability work on five segments: attractive employer, working environment, good business ethics, long-term profitable and reduced climate impact.

FOCUSES

Attractive employer

Being an attractive employer with healthy workplaces where employees enjoy their work and are offered good potential to progress. Attracting skilled staff and retaining key individuals, which is decisive to Bellman Group's success.

Health & safety

Physical safety of staff is the top priority, and Bellman Group has a vision of zero accidents.

Business ethics

Conduct business using a solide ethical fundation, both externally and wthin the Group.

Long-term profitable

Long-term profitability impacts the Group's capability to retain skilled and knowledgeable staff, and maintain up-to-date machinery and vehicles.

Reduced climate impact

The Group's ambition is to reduce its direct and indirect climate impact.

Attractive employer

For lasting success, Bellman Group and its subsidiaries need to be perceived as an attractive employer, whose people feel good and have the possibility of progressing. Being unable to retain or recruit a qualified workforce is a risk that Bellman Group manages by endeavoring to maintain a good working environment, and the opportunity of skills development, as well as taking responsibility for training staff. In the year, the Group produced a methodology enabling it to monitor employee satisfaction, based on its employee satisfaction survey.

The construction and civil engineering sector is strongly male dominated, and the Group faces a challenge in hiring more female employees to achieve more balanced gender division. Bellman Group is convinced that an inclusive workplace culture featuring diversity benefits everyone. Discrimination and harassment are not tolerated in any form, and all employees should have equal opportunities to develop regardless of sex, age, ethnic origin, religion, political opinion, sexual orientation, disability or other distinguishing characteristics. A good corporate culture creates job satisfaction, good relationships, low staff turnover and low sickness absence. The Group operates a whistleblower system, which is found on Bellman Group's website, where anybody can anonymously report harassment or discrimination. Four cases were entered into the system

in 2020, which are being reviewed and actioned by the HR & Sustainability Manager in consultation with the Chairman of Bellman Group's Board, who is non-affiliated to the Group. As a consequence of cases open, Bellman Group has clarified internal procedures and processes governing its machinery rental operations.

Bellman Group collaborates with driver training schools, the Swedish Public Employment Service and sector peers to satisfy the future need for skills collectively. Employees are offered further education and additional training on the Group's various types of machinery.

Working environment

The Group's operations involve work on large machinery, vehicles and rock blasting. Handling compliant with applicable safety instructions is critical for avoiding personal injury. Staff safety is the top priority, and Bellman Group has a vision of zero accidents. Risks, incidents and accidents are reported and investigated so that action can be taken as soon as possible. The Group takes action continuously to create and maintain safe workplaces, train staff on safety and change attitudes to counter risky behavior. This helps create a healthy organization and a safe working environment. All managers and team leaders with staff responsibility should take working environment training. By year-end, some 80% of managers and team leaders had taken this training, and the remainder will do so over the next year.

Health and safety

In the previous year, the Group implemented a system to simplify the reporting of non-compliance for employees and contract staff at work. All employees have had access to an app to facilitate this process, increase risk awareness and build on preventative measures since 2020. The goal for 2021 is to distribute the app to all Bellman Group subcontractors.

Corporate healthcare and keep-fit subsidies are offered to all Group employees. The Group has a risk contingency plan and health, emergency response and safety management plan, provided by an external provider. The Group's crisis contingency for health & safety was mapped in the year, and a system for crisis management was purchased from an external provider.

Goals and performance monitoring

- Equality: At least 25% of total employee headcount should be women. The construction and civil engineering sector is strongly male dominated, and the Group faces a challenge in hiring more female employees to achieve more balanced gender division. For 2020, the proportion of women was 17 percent
- Zero tolerance of harassment
- Employee satisfaction—the yearly employee satisfaction survey provides responses on job satisfaction. A goal will be set based on performance in 2020
- Further training—the share of Bellman Group employees taking training in the year. A goal will be set based on performance in 2020.

- Training of new workers—the number of new apprentices in the year. A goal will be set based on performance in 2020.
- Incidents and accidents—the number of incidents and accidents and accident frequency of the Group's employees, i.e. accidents per man-hour, is monitored. The ambition is to also cover subcontractors, but there is no fully comprehensive system for this at present. A total of one accident was reported in 2020 that was classified as serious, as well as 15 minor incidents. No fatal accidents occurred.

Incidents and accidents

	2020	2019
Total	16	N/A
of which serious personal injury	1	N/A
of which minor incidents	15	N/A

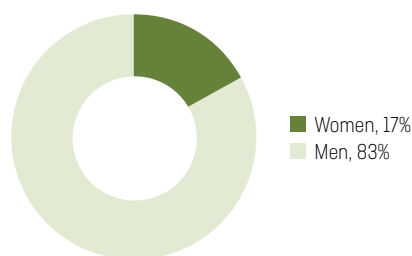
Human resources

	2020	2019
Average no. of employees	363	N/A

Average length of service

	Women	Men
Bellman Group AB	5.1	5.2

Gender division



Apprentices

	2020	2019
Number of apprentices employed in 2020	43	N/A

Sickness absence

	2020	2019
Average sickness absence; %	6.5	N/A
Quarter 1, %	5	N/A
Quarter 2, %	6	N/A
Quarter 3, %	6	N/A
Quarter 4, %	9	N/A

Good business ethics

Bellman Group values the protection of human rights and fair working conditions highly. The Group's success is based on its people's capability to build strong and long-term relationships with customers and suppliers. Accordingly, it is critical that all staff have a clear perception of the Group's collective goals, and the ethical principles operations they are based on. This applies to work within the Group and in contact with external parties.

Bellman Group distances itself from all forms of corruption or fraud, and pursues openness, integrity and honesty throughout its business. The Group has prepared a Code of Conduct setting standards on how it expects employees to conduct themselves in business relationships. This Code of Conduct applies to all staff without exception. Employees have access to the staff handbook, non-compliance case management, whistleblower system and crisis management on a digital app. By year-end, all the Group's employees had accessed the Code of Contact via the app.

Since 2019, Bellman Group has had a Code of Conduct for subcontractors, which all subcontractors appointed by the Group must confirm receipt of and comply with. New subcontractors approve the Code of Conduct on contract signing, and the Group worked on communicating and collecting approvals from existing subcontractors in the year.

For the Group to gain early awareness of, and action, circumstances and events that breach the Code of Conduct, policies, or other laws and regulations, all employees, partners and suppliers are encouraged to support suspected instances of non-compliance direct to Bellman Group's Group Management or via its whistleblower system. A Group-wide whistleblower system has been available at all the Group's and subsidiaries' websites since 2019. This enables the capture of suspected cases, and improves employees' and other parties' potential to report suspected non-compliance anonymously. No cases relating to Bellman Group's business ethics were reported via the system in 2020.

Long-term profitable company

Operating the Group with long-term profitability not only has financial value, but also impacts on the Group's capability to retain skilled and knowledgeable employees, offer market compensation, and maintain up-to-date machinery and vehicles. This also creates value for wider society through the Group's

capability to hire staff and pay salaries, employer's contributions and taxes. It also enables the Group to keep contributing to social progress through infrastructure projects, as well as conversions and new construction, primarily in metropolitan areas.

Goals and performance monitoring

- Anticorruption—the Group has zero tolerance of all forms of corruption.
- Code of Conduct—all the Group's employees have been trained on the Code of Conduct.
- Requirements of subcontractors—all subcontractors need to confirm that they have received the Group's Handbook for Subcontractors, which includes the Code of Conduct for subcontractors, and policies. The goal is for 100% of subcontractors to have approved the Handbook.

Reduced climate impact

Bellman Group's operations include rock blasting, earthmoving, contracting of machinery and haulage, all of which can have a significant environmental impact. Environmental impact relates mainly to climate emissions due to the combustion of fossil fuels, but also an impact on surroundings in the form of noise and dust. Additionally, machinery and vehicles in production run the risk of leakage and spillage of chemicals that can contaminate soil and water.

Most of the Group's companies conduct some form of activity requiring permits at times, and ensure legal compliance pursuant to ISO 9001 standards. The company applied regularly for the necessary blasting and crushing permits for its work, where such permits are applicable. Bellman Group also holds permits for the Group's landfill, aggregate and recycling centers. To reduce its environmental impact, the Group works continuously on environmentally related improvements in its business.

No official notices under the Swedish Environmental Code were received in the year

Transportation, vehicles and machinery

Bellman Group endeavors to reduce the environmental impact of its machinery and vehicles, and from machine transportation, by rationalizing and improving logistics planning, and working actively to upgrade machinery and vehicles for newer and more fuel-efficient models. The Group is also a member of several projects with OEMs on developing electric autonomous machines and vehicles. Improved logistics and fuel consumption, and a higher share of renewable fuels, are contributors to reducing environmental impact and increasing cost-efficiency.

100% HVO (hydrotreated vegetable oil) fuels are used in several of the Group's projects. Bellman Group's ambition is to increase the share of machines and vehicles running on renewable fuels. However, HVO fuels are not available nationwide in Sweden, and Bellman Group had the ambition to map access to HVO for the Group's mobile operations in 2020, but this has



been deferred due to the Corona pandemic. The plan now is to conduct this mapping process as soon as possible.

The environmental classification of all machinery and vehicles is assessed based on established systems. Machinery engine classifications are set at levels designated by the EU, known as EU stages, and vehicles according to Euro classes. By rating the Group's machinery and vehicles, Bellman Group maintains an overview of how up to date its machinery and vehicles are, and can track improvements in average environmental classifications.

Optimizing transportation runs within and outside workplaces is a very important aspect of the Group's sustainability work on the environment and finance. Bellman Group achieves this by minimizing unnecessary internal transports between loading and unloading in collaboration with customers and partners. Three of the Group's subsidiaries are participating in a pilot project to optimize transportation runs on construction of the Västlänken rail link. There are technical aids that quickly update truck drivers on any obstacles and accidents en route, and recommend new routes, and for construction machinery to be equipped with technology that enables the optimization of each load.

Bellman Group mapped the Group's fuel and energy consumption in 2020 when compiling its Climate Statement, also bringing an opportunity to set goals to reduce them. More on this on page 29.

EcoDriving training

The haulage part of the Group has a well-developed policy on idling and EcoDriving. The ambition is for machine operators, blasting operatives and other colleagues working on rock to take training in EcoDriving. The plan was for a rock worker training program to be produced jointly with the sector organization's training unit in the year. This work was shelved due to the outbreak of Covid-19, although discussions on a potential digital training package continued in the year.

In 2021, Bellman Group will design an in-house training program that staff and subcontractors will receive. This material will be compiled jointly with a machine driver training institution to ensure the content is correct and accurate. Truck drivers will receive EcoDriving training on YKB vocational qualification courses.

Emissions to soil, water and air

Machinery and vehicles in production always run a risk of pipe ruptures or other leaks that can release chemicals into the surrounding soil and water. Wherever possible, the Group wants to prevent and minimize the impact operations have on soil, water and air. By all employees and contract staff conducting daily inspections of their units, any shortcomings can be identified and rectified before an incident. In the event that leakage still occurs, Group companies have highly functional procedures and instructions on how to act and report the event. All machines are equipped with remediation equipment. A review of the chemicals used was conducted in tandem with ISO certification, and where servicing contracts so permit, environmental oils are used.

Climate Statement

Bellman Group established a formal and structured process to capture and report information on the Group's emissions that impact the climate from energy consumption, fuel consumption, business travel, waste and the procurement of goods and services in 2020—known as a Climate Statement. The Climate Statement gives an overview of the impact of operations, identifies where the major climate impact is, and constitutes supporting data for setting targets to reduce emissions. The results are the foundation for Bellman Group to take the right actions in the form of developing, rationalizing, implementing new technology and setting standards on suppliers. Information has been captured for the period 1 January–31 December 2020, so 2020 will be the best year for setting future goals. The Climate Statement covers all directly held subsidiaries, and those second-tier subsidiaries where the Group's holdings were 100% in 2020, which were Samgräv Maskinförmedling, Samgräv Recycling, Samkross i Uddevalla and Samkross i Härryda. Reporting is compliant with the Greenhouse Gas protocol (GHG protocol). The following are included in each scope:

Scope 1: vehicles and machinery, owned and leased

Scope 2: purchased electricity and district heating

Scope 3: business travel, waste disposal and procurement of transportation, investment goods, office materials, chemicals and services (machinery servicing)

Climate Statement, GHG emissions (ton CO₂e)

	2020	2019
Scope 1		
Vehicles and machinery ¹	3,319	N/A
Scope 2		
Purchased energy	31	N/A
Scope 3		
Purchased transportation	11,765	N/A
Purchased goods & services	11,267	N/A
Waste	520	N/A
Business travel ²	49	N/A
Total emissions	26,951	N/A

¹ Excluding emissions from vehicles owned by the parent company. Excluding emissions from truck owned by Uppländska.

² Excluding emissions for business travel by car for VM.

Goals and performance monitoring

- Machinery and vehicles—environmental status reported according to EU stages and Euro environmental classes respectively. Only the Group's own vehicles are included. The goal is to increase the average rating.
- Emissions to soil—the number of incidents involving chemical leaks causing remediation is measured and monitored. In 2020, the Group [did not have any] instances of environmental breaches resulting in fines or sanctions. However, minor leakage did occur, where remediation was necessary, with disposal at an approved landfill. A goal will be set based on performance in 2020.
- EcoDriving—the share of employees that have taken EcoDriving training is measured. In 2021, Bellman Group will design an in-house training program that staff and subcontractors will receive. This material will be compiled jointly with a machine driver training institution to ensure the content is correct and relevant. Truck drivers will receive EcoDriving training on YKB vocational qualification courses.
- Diesel consumption—the consumption of Bellman Group's own machinery and vehicles is measured as volume in relation to man-hours. A goal will be set based on performance in 2020.
- Climate footprint (CO₂ emissions)—emissions from Bellman Group's vehicles and machinery, and purchased energy for premises, will be measured in 2020. A goal will be set based on performance in 2020.

Number of environmental incidents

	2020	2019
Incidents, full year	5	N/A
Quarter 1	2	N/A
Quarter 2	2	N/A
Quarter 3	0	N/A
Quarter 4	1	N/A

Diesel consumption (liters)

	2020	2019
Consumption, full year	6,984,785	N/A
Quarter 1	1,511,112	N/A
Quarter 2	1,783,634	N/A
Quarter 3	2,016,547	N/A
Quarter 4	1,673,492	N/A

Auditor's report on the statutory sustainability report

Unofficial translation

To the general meeting of the shareholders in Bellman Group AB (publ),
corporate identity number 559108-3729

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2020 on pages 28-33 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

Opinion

A statutory sustainability report has been prepared.

Stockholm 26 april 2021

PricewaterhouseCoopers AB

Nicklas Kullberg

Authorised Public Accountant



→ Västlänken - a sub-surface rail link in Gothenburg.

Corporate Governance Report

Principles of corporate governance

Bellman Group AB (publ) is a public Swedish limited company with its registered office in Stockholm. Bellman Group's corporate bonds are quoted on Nasdaq Stockholm. Over and above the provisions of Swedish law, the Group's corporate governance is based on Nasdaq Stockholm's Rulebook for Issuers. Bellman Group has commenced voluntary adoption of the Swedish Code of Corporate Governance (the "Code").

Responsibility for management and control of operations of Bellman Group AB and subsidiaries is divided between the shareholders at the Annual General Meeting (AGM), the Board of Directors, Chief Executive Officer and the external Auditor elected by the AGM. Apart from the above regulation, the company has formulated internal rules of procedure and instructions, which are applied and monitored using reporting procedures and standards that are collective for the Group.

The share and shareholders

At year-end 2020, Bellman Group AB had a total of 12 shareholders. The company has only one share class, and each share carries one vote. The ten largest shareholders represented 98.4% of the votes and capital.

Function of shareholders' meetings

Shareholders' influence is exercised at AGMs, and where applicable, Extraordinary General Meetings (EGM), which are Bellman Group's chief decision-making body. Bellman Group does not have any special arrangements regarding the function of shareholders' meetings, either in terms of provisions, or as far as the company is aware, shareholders' agreements. Shareholders that wish to participate at shareholders' meetings must firstly be recorded in the share register by the day stated in the invitation to that meeting, and secondly notify the company.

Shareholders unable to participate in person can attend through representatives or power of attorney. The Articles of Association have no limitations in terms of the number of votes each shareholder may cast at a shareholders' meeting.

The Articles of Association contain no special provisions on the appointment or dismissal of Directors or amendments of the Articles of Association.

The Code stipulates that information on the time and location of the AGM should be uploaded to Bellman Group AB's website at the latest coincident with the Third-quarter Interim Report. This should also include disclosures on how shareholders should proceed to have a matter considered by the Meeting.



Shareholder	No. of shares	Prop. of votes and capital, %
Verdane Capital VIII (via holding company)	746,598	35.8
Hasseludd Holding AB	207,229	9.9
Bromab Invest AB	188,736	9.0
Jonas Degerman Holding AB	188,736	9.0
Skärså Consulting AB	188,736	9.0
Robin Mark & Anläggning AB	178,472	8.6
Norden Kapitalförvaltning AB	142,349	6.8
Michel Eriksson	96,418	4.6
J&P Scandinavia AB	75,494	3.6
Tore Hallersbo	41,188	2.0
Other shareholders	33,035	1.6
Total	2,086,991	100.00

¹ Verdane increased its holdings in Bellman Group on 15 January 2021, now controlling 72.3% of the votes and capital of the company via a holding company. The remaining shares are still controlled by Bellman Group's Management and Board of Directors.

Annual General Meeting 2020

The AGM 2020 was held on 19 May 2020 in Stockholm. All shareholders were represented at the AGM, or 100% of the number of shares and votes of the company.

The AGM resolved to adopt the Income Statement and Balance Sheet, and Consolidated Income Statement and Consolidated Balance Sheet in the annual accounts for the financial year 2019. The meeting resolved that the funds at its disposal of SEK 333,936,710 would be carried forward. The AGM re-elected Per Nordlander, Håkan Lind, Björn Andersson, Charlotte Hybinette, Anne-Lie Lind and Ingall Östman as Directors for the period until the next AGM.

PricewaterhouseCoopers AB, with Nicklas Kullberg as Auditor in Charge, was elected Auditor for the period until the next AGM.

The Meeting also approved fees for the full term of office until the next AGM of SEK 250,000 to each of Charlotte Hybinette, Anne-Lie Lind and Ingall Östman, and SEK 450,000 to Björn Andersson, and that no fees would be payable to other Directors. Audit fees would be payable according to account.

Nomination Committee

The duty of the Nomination Committee is to submit proposals for resolution on issues including a Chairman of the AGM, Directors, Directors' fees, election of Auditors and audit fees for the AGM. For the AGM of Bellman Group for 2021, the following shareholders' representatives have been appointed as members of the Nomination Committee:

- Per Nordlander (Chairman), appointed by Verdane Capital AB
- Dick Örn, appointed by Hasseludd Holding AB
- Magnus Persson, appointed by Bromab Invest AB

The composition of the Nomination Committee is non-compliant with the Code in terms of independence of the company and management, because at present, the company has concentrated ownership, and an operationally active owner.

Board of Directors

The overall duty of the Board of Directors is to be responsible for the company's organization and administration of the company's affairs. When performing its duties, the Board of Directors should protect all shareholders' interests. It is also the Board of Directors' duty to ensure that this Corporate Governance Report is prepared.

Bellman Group's Articles of Association stipulate that the Board of Directors should consist of a minimum of three and a maximum of ten members, with a maximum of five deputies. The Directors are elected at the AGM for the period until the end of the following AGM.

At the end of 2020, the Board of Directors of Bellman Group had six members, with Björn Andersson, Charlotte Hybinette, Anne-Lie Lind, Håkan Lind, Per Rosenmüller Nordlander and Ingall Östman re-elected by the AGM on 19 May 2020. Björn Andersson was re-elected Chairman of the Board. The company's CEO Håkan Lind sits on the board as a Director. For information on the

Directors and their appointments outside the company and shareholdings in Bellman Group, see page 40.

In its work on nominations for the Board of Directors, the Nomination Committee has applied the diversity policy adopted by the Board of Directors. The outcome of work on the diversity policy is that the Nomination Committee considers that with Bellman Group's operations, its Board of Directors features versatility and breadth in terms of the skills, experience and backgrounds of the Directors elected by shareholders' meetings. Additionally, it has achieved an even gender division on the Board of Directors. Against the above background, the Nomination Committee considers that the goals of the Diversity Policy have been achieved, and that the composition of the Board of Directors is expedient, satisfying the standards required by the company's status and challenges it faces.

Information on compensation to Directors as resolved by the AGM 2020 is in note K8 of the annual accounts.

Work of the Board of Directors

Each year, the Board of Directors adopts rules of procedure, and instructions on segregating duties between the Board of Directors and the CEO, and instructions for financial reporting to the Board of Directors. Each year, the Board of Directors also adopts instructions for the Remuneration Committee, and the Risk & Audit Committee.

The Board of Directors' rules of procedure stipulate that normally, five scheduled meetings should be held per year in addition to the Board meeting following election. Additionally, the Board of Directors meets if circumstances require. In 2020, the Board of Directors held one Board meeting following election and four scheduled Board meetings, as well as four additional Board meetings (of which three per capsulam).

There are a number of permanent items on the agenda of each scheduled Board meeting: the CEO's review of operations, accounting report, quarterly report to bondholders, sustainability (environment, health & safety) and a review and update of policies. In 2020, the Board also considered the company's strategy and objectives, financial position and acquisitions, as well as issues related to internal control, and human and organizational resources. The company's Auditors attended one of these meetings, when the Audit Report was presented.

Remuneration Committee

At the end of 2019, the Board of Directors constituted a Remuneration Committee whose duty is to consult on Board of Directors decisions on questions affecting remuneration principles, as well as compensation and other employment terms of Management. The Remuneration Committee should also monitor and evaluate application of the guidelines for remunerating senior executives as resolved by the AGM, and applicable compensation structures and levels within the company.

Dedicated instructions on the duties of the Committee, working methodology and reporting obligations for the Committee have been adopted by the Board of Directors. The members of

the Remuneration Committee are Committee Chairman Björn Andersson and ordinary members Charlotte Hybinette and Ingalill Östman.

The Remuneration Committee held one (1) meeting in 2020 when the above points were considered.

Audit Committee

At the end of 2019, the Board of Directors constituted an Audit Committee, whose duty is to monitor the company's financial reporting and presenting recommendations and proposals to ensure its reliability, monitor effectiveness of the company's internal controls and risk management regarding financial reporting, and evaluate the need for an internal audit function each year, stay informed about the audit of the annual accounts and the consolidated accounts, monitor the outcome of the audit, Auditor impartiality and independence, submit proposals to the AGM regarding the election of Auditors or consider assigning the Nomination Committee to make such proposals to the AGM.

The Audit Committee consists of three members, with Chair Charlotte Hybinette and members Anne-Lie Lind and Björn Andersson.

The Board of Directors has adopted dedicated instructions for the Audit Committee, which include detailed instructions on its reporting obligation, duties and working methodology. In 2020, the Audit Committee held five (5) meetings

Meetings attendance

The Directors attended Board and Committee meetings in 2020 as illustrated below. The table also states which Directors elected by shareholders' meetings can be considered independent of the company and its management, and of the company's shareholders, pursuant to the Code.

Internal control systems and risk management for the financial reporting

The Board of Directors' responsibility for internal governance and control is formalized by Swedish legislation (the Swedish Companies Act and Annual Accounts Act), and in the Code. Bellman Group applies, and complies with, these standards. The review of how internal controls are organized provided here is limited to considering internal controls over financial reporting.

Internal controls over financial reporting are an essential component of Bellman Group's corporate governance and are designed to provide reasonable assurance regarding the reliability of external financial reporting in the form of interim reports, annual reports and annual financial statements, and that financial reporting has been prepared consistently with laws, applicable accounting standards and other standards applying to listed companies. The whole Board of Directors bears overall responsibility for internal controls and risk management, but without limiting the Board of Directors' responsibilities, has delegated monitoring and evaluating the effectiveness of the company's systems for internal controls to the Audit Committee.

Bellman Group applies the COSO framework for internal governance and control, the most widely recognized framework to define and evaluate the Group's control structure. The COSO framework has five components: control environment, risk assessment, control activities, information and communication, and monitoring activities.

Control environment

The control environment is the foundation of internal controls over financial reporting. The values and attitudes to business ethics that the Board of Directors, CEO and Group Management communicate and operate from are an important component of the control environment. Other important components are the Group's organizational structure, leadership, decision paths, delegation of authority and responsibility, as well as the skills employees possess. The important components of Bellman Group's control environment are also reflected in the policies and instructions that the Board of Directors and Group Management have adopted. Examples of such documents are:

- Rules of procedure for the Board of Directors
- Approvals list
- Instructions for the CEO
- Instructions for financial reporting
- Finance Policy
- Accounting Handbook

All internal governance documents are updated yearly and on the amendment of legislation, regulation or accounting standards, for example, and where otherwise required.

Member	Elected	Attendance at Board meetings	Audit Committee member	Remuneration Committee member	Independence	
					Company and management	Major shareholders
Björn Andersson, Chairman	2017	9/9	5/5	1/1 (Chair.)	Yes	Yes
Ingalill Östman	2018	9/9		1/1	Yes	Yes
Per Nordlander	2017	9/9			Yes	No
Håkan Lind	2017	9/9			No	Yes
Charlotte Hybinette	2019	8/9	5/5 (Chair.)	1/1	Yes	Yes
Anne-Lie Lind	2019	8/9	4/5		Yes	Yes

Risk assessment

Risk assessment is designed to identify the risk of material misstatements in Bellman Group's financial reporting, and thus offer guidance on the segments that are important to monitor. The assessment of risks in relation to financial reporting is conducted regularly within the organization, and is part of operating activities.

The CFO is responsible for coordinating activities relating to the risk assessment, and for presenting the results of this work to the Audit Committee.

Control activities

Control activities are designed to manage the material risks identified in the risk assessment. Bellman Group has created an internal control framework, which compiles important control activities and key controls related to financial reporting. Each key control is documented in a framework including how such control should be conducted, who should conduct it, and where appropriate approve it, and which control documentation should be retained. The internal control framework covers a number of central business processes such as:

- The financial statement process
- Project accounting including revenue and expenses for procurement
- Payroll management
- Management of non-current assets
- IT

Information and communication

Internal information within Bellman Group and external communication are governed at an overall level by the Group's corporate communication guidelines. Group Management is responsible for informing affected staff of their responsibilities for maintaining good internal controls with the aim of ensuring effective and accurate dissemination of information in financial reporting. This is achieved through channels including regular informative meetings in each business area. Adopted policies, guidelines, manuals and instructions are made available to staff.

The Group's accounting function is responsible for the dissemination of external information in financial reporting. This work is conducted on the principle of updated and accurate dissemination of information in accordance with Nasdaq Stockholm's Rulebook for Issuers.

Monitoring

Monitoring the effectiveness of internal controls, including whether controls have been designed expediently, and that they are executed consistently over time, is conducted each year within Bellman Group.

The approach for monitoring is determined based on the assessed risk level and nature of the risk, and is conducted as follows:

- Low/medium risk (according to the risk assessment conducted): Self-assessment is conducted to judge whether controls are completed and functioning as intended. As part of the self-assessment, each control owner is requested to respond on a form, and then take a standpoint on whether the relevant control is functional or not. The self-assessment form is sent to the Group's accounting function, and the results are compiled.
- Medium/high risk (according to the risk assessment conducted): The self-assessment is combined with testing with the aim of verifying that controls are being conducted and function. The testing of the effectiveness of controls by reviewing control documentation is conducted on a selection of controls and can be conducted by internal or external resources.

The outcome of the monitoring is compiled and analyzed, with any variances noted and action plans prepared communicated to the Audit Committee. The progress of potential action plans is monitored continuously.

Bellman Group has not constituted a separate internal audit function at present. Nothing has emerged that suggests that its control system is not functioning in the intended manner, and against this background, the Board of Directors has decided not to constitute an internal audit function. The Board of Directors considers and reevaluates its decision to not have an internal audit function each year.

Board of Directors



Björn Andersson

Chairman since 2018, and Director since 2017
Born: 1959
Education: M.Sc. (Econ.)
Current appointments: Chairman of Luda Farm AB, Färg In AB and Awiwo AB.
Previous experience: Senior Partner of Neuman & Nydahl, CEO of Oden anläggningsentreprenad, CFO of NCC AB, CFO of AB Svenska Shell and senior positions in Shell.
Bellman Group shareholdings: 9,767 shares¹ via company.



Håkan Lind

Director and CEO since 2017
Born: 1963
Education: Senior high school graduate
Current appointments: Director of Grundob Fastigheter i Stockholm and Hasseludd Holding AB.
Previous experience: Executive Chairman of Bellmans Åkeri AB, President and CEO of Foria AB, CEO of Söab AB.
Bellman Group shareholdings: 22,067 shares¹ (indirect holdings).



Charlotte Hybinette

Director since 2019
Born: 1973
Education: Attorney-at-law
Current appointments: Interim General Counsel at NatWest NordiskRenting, and adviser through Hybinette & Partners AB. Director of CollectorAB/Collector Bank AB and Chairman of Platzer Fastigheter Holding AB since AGM 2020.
Previous experience: Attorney and Managing Partner of law firm MAQS Advokatbyrå.
Bellman Group shareholdings: -



Per Nordlander

Director since 2017
Born: 1967
Education: M.Sc. in engineering physics
Current appointments: Partner of Verdane Capital and Director of Livförsäkringsbolaget Skandia, BEWI Group, Allgon and Nordic Finance.
Previous experience: CEO and Founder of Avanza, Founder and CEO of Nordnet. Various positions with Öhman & OMX Nasdaq, Consultant at Accenture.
Bellman Group shareholdings: -



Anne-Lie Lind

Director since 2019
Born: 1971
Education: M.Sc. in mechanical engineering
Current appointments: Logistics Director of Tamro AB.
Previous experience: Vice President, Camfil Power Systems Europe & Middle East, CEO of AkkaFRAKT and various senior positions with SKF, Volvo and TetraPak.
Bellman Group shareholdings: -



Ingalill Östman

Director since 2018
Born: 1956
Education: M.Sc. in mechanical engineering
Current appointments: Director of Allgon AB, Länsförsäkringar Gothenburg and Bohuslän and of StyrelseAkademien Western Sweden.
Previous experience: Corporate Communications Director of Castellum, Senior Vice President Communications & Government relations AB SKF, Senior Vice President Corporate Communications ABB Sweden and Northern Europe, and other management positions in ABB.
Bellman Group shareholdings: -

Revisor

Nicklas Kullberg

PwC Sweden (PricewaterhouseCoopers AB)
 Auditor in Charge since 2017.

Other auditing assignments include Proact, IFS, Enea and Värmevärdan.

¹ Number of shares as of 15 January 2021 in the holding company, which after restructuring measures and purchases by Verdane, is the owner of Bellman Group. Verdane currently controls 72.3% of ownership, while management and Directors control the remaining 27.7% via the holding company.

Group Management



Håkan Lind

President and CEO

Born: 1963

Education: Senior high school graduate

Previous experience: Executive Chairman of Bellmans Åkeri AB, President and CEO of Foria AB, CEO of Sådab AB.

Other current appointments: Director of Grundab Fastigheter i Stockholm and Hasseludd Holding AB.

Bellman Group shareholdings: 22,067 shares¹ (indirect holdings).



Roger Axelsson

CFO

Born: 1959

Education: M.Sc. (Econ.)

Previous experience: Interim CFO of Assemblin Group, CFO of Quant Group, Corporate Controller of Esselte Group.

Other current appointments: -

Bellman Group shareholdings: 5,460 shares¹ (indirect holdings).



Robin Karlsson

President of Uppländska Bergborrnings AB

Born: 1978

Education: Senior high school graduate

Previous experience: -

Other current appointments: Director of BEF (rock blasting contractors' sector organization).

Bellman Group shareholdings: 29,881 shares¹ (indirect holdings).



Staffan Haglund

President of VSM Entreprenad AB

Born: 1973

Education: graduate engineer

Previous experience: Vice President of Sales, Märsta Förenade Åkeriföretag, Site Manager, Svevia.

Other current appointments: -

Bellman Group shareholdings: -



Dick Örn

President of Bellmans Åkeri & Entreprenad AB and SÅCAB Åkericentral AB

Born: 1964

Education: senior high school graduate.

Previous experience: Bellmans Åkeri AB since 1991 (President since 2007) and President of Contrail AB.

Other current appointments: Chairman of Hasseludd Holding AB.

Bellman Group shareholdings: 51,490 shares¹ (indirect holdings).



Mathias Cederblad

President of Samgröv Holding AB

Born: 1984

Education: Engineer

Previous experience: Production Manager, Nouryon (formerly Akzo Nobel).

Other current appointments: -

Bellman Group shareholdings: -



Helena Stångberg

Vice President of Investor Relations & Corporate Communications

Born: 1959

Education: M.Sc. (Econ.)

Previous experience: Corporate Communications & Investor Relations Manager of Drott/Fabege. Investor Relations Manager of Immunicum.

Other current appointments: Senior Director and Partner of Hallvarsson & Halvarsson AB.

Bellman Group shareholdings: -

Changes to Group Management effective 2021:

Joined effective January 2021:

Mikael Ivarsson

President of Ivarssons Entreprenad i Göteborg AB.

Joined effective 8 March 2021:

Pernilla Enkler

Vice President of Communication & Sustainability.

Joined effective 1 April 2021:

Magnus Persson

COO and EVP.

¹ Number of shares as of 15 January 2021 in the holding company, which after restructuring measures and purchases by Verdane, is the owner of Bellman Group. Verdane currently controls 72.3% of ownership, while management and Directors control the remaining 27.7% via the holding company.

Auditor's report on the Corporate Governance Statement

Unofficial translation

To the general meeting of the shareholders in Bellman Group AB (publ),
corporate identity number 559108-3729

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2020 on pages 36-41 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm 26 April 2021

PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant

Financial reports

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Board of Directors Report

The Board of Directors and Chief Executive Officer of Bellman Group AB (publ), corp. ID no. 559108-3729, hereby present the annual accounts and consolidated accounts for the financial year 1 January 2020 to 31 December 2020. Figures in brackets are for the previous year. All amounts are in millions of Swedish kronor (SEK m) unless otherwise stated. Bellman Group's corporate bonds are listed on Nasdaq Stockholm.

SÅCAB Åkericentral AB (SÅCAB) was acquired in March 2020 and Losshållningsbolaget i Sverige AB (LHB) in December. Both acquisitions included goodwill, which amounted to SEK 464.0 m (452.2) at year-end 2020. The Income Statement for 2019 includes Samgräv for the period February–December 2019 and SÅCAB is included for the period March–December 2020, and LHB for December 2020.

Information regarding operations

Bellman Group is a civil engineering group that conducts groundworks. The Group is active in rock blasting, excavation and transportation, and handling of masses by operating landfills and recycling facilities. The Group possesses the skills, experience and commitment that are the foundation of successful construction projects. The Group's core values, quality, skills and safety, ensures sustainability and a long-term business view are referred to as the Group or Bellman Group.

Bellman Group's is expected to grow organically as well as through acquisitions of established and profitable enterprises that complement Bellman Group's customer offering. During acquisitions the Group focuses on revenue synergies and strengthening the subcontractor position towards construction companies.

Bellman Group strives for a low project risk and develops the business focusing on shareholder value creation.

VSM Entreprenad AB ("VSM")

VSM is a construction machine company with operations involving rock and aggregate handling at stationary and mobile crushing facilities, excavation of roads and tunnels, civil engineering and project development, as well as rental of machinery and operations. The company employs over 400 vehicles/machines, of which about 50 percent belong to subcontractors. VSM's head office is based in Kallhäll, and operates throughout Sweden.

Bellmans Åkeri & Entreprenad AB ("Bellmans")

Bellmans performs excavation and haulage as well as rental of construction machinery and trucks with drivers. It's the largest transport company in the Stockholm region linked to construction transport and employs approximately 500 vehicles. Operations are concentrated to the Stockholm region. Bellmans headquarter is based in Saltsjö-Boo outside Stockholm.

Uppländska Bergborrnings AB ("Uppländska")

Uppländska is one of the Sweden's largest and most complete rock processing companies. The company offers qualified services in rockdrilling, -blasting and -splitting as well as wire sawing. The company employs approximately 75 machines, of which more than 10 belong to subcontractors.

In December 2020, Bellman Group acquired Losshållningsbolaget i Sverige AB (LHB) which has been integrated into the Uppländska segment. The company's head office is based in Norrtälje, but operates throughout Sweden.

Samgräv Holding AB ("Samgräv")

Samgräv Holding AB was acquired on 31 January 2019. The company operates its own landfills, land processing, recycling facilities and rock quarries, as well as providing transport and machine services in West Sweden. Samgräv's head office is located in Kungälv. On December 15 the group purchased Bugärde, a real estate through the acquisition of Bugärd Development AB. This site has been integrated into the Samgräv segment.

SÅCAB

SÅCAB Åkericentral AB (SÅCAB) was acquired in March 2020 and is a transport and machinery brokerage company with its own landfill in southern Stockholm. SÅCAB does not own its own vehicles but employs about 60 subcontractors. SÅCAB's head office is located in Skogås.

Bellman Group AB (the "Parent Company")

Bellman Group AB is the Group's Parent Company with its head office in Solna. The Parent Company includes Group Management and certain group-wide functions within finance, communication & sustainability, HR and IT. The Parent Company owns 100% of the shares in Bellmans Åkeri & Entreprenad AB, Uppländska Bergborrnings AB, VSM Entreprenad AB, Samgräv Holding AB, SÅCAB Åkericentral AB, Losshållningsbolaget i Sverige AB and Bugärde Utveckling AB.

Significant events in the financial year

On March 6, 2020, SÅCAB was acquired. The purchase price amounted to SEK 77.0 m and the acquisition was financed through own funds.

On December 15, 2020, LHB was acquired. The purchase price amounted to SEK 19.2 m and the acquisition was financed through own funds.

On December 15, 2020, a site in the Gothenburg region was acquired. This was made possible through the purchase of Bugärde Utveckling AB (Bugärde). The purchase price amounted to SEK 23.1 m and was financed through own funds.

Sales and earnings

The Group's consolidated net sales for the period amounted to SEK 1,677.5 m (1,755.5), a decrease of -4.4 percent or SEK -78.0 m compared to the previous year. The decrease was mainly a result of lower net sales in Bellmans of -20.3 percent amounting to SEK 526.5 m (660.2). The lower net sales were related to delayed customer projects as well as increased price pressure, presumably an effect of Covid-19, as well as two extraordinary projects during the first quarter of the previous year. VSM's net sales decreased by -1.4 percent to SEK 707.0 m (717.2). Uppländska's net sales increased by 7.4 percent to SEK 279.3 m (260.1) mainly due to continued wind farm expansions and infrastructure projects. Samgräv's net sales increased by

1.4 percent to SEK 235.1 m (231.9) primarily driven high landfill intake due to projects related to Västlänken Göteborg. The acquisition of SÅCAB contributed with net sales of SEK 122.1 m during the period March-December 2020.

EBITDA before items affecting comparability amounted to SEK 224.1 m (214.1), an increase of 4.7 percent or SEK 10.0 m. The increase was mainly due to the acquisition of SÅCAB, which contributed with SEK 10.8 m during the period March - December 2020. Samgräv's earnings increased by 31.1 percent to SEK 25.0 m (19.0) mainly due to the February 2019 acquisition of Samgräv as well as higher net sales in the landfill business 2020. Uppländska's earnings increased by 12.0 percent to SEK 33.3 m (29.7) primarily due to increased net sales. Bellmans' earnings decreased by -25.6 percent to SEK 26.5 m (35.7) mainly due to lower net sales, partly related to Covid-19. VSM's earnings decreased by -1.8 percent to SEK 128.9 m (131.3).

EBITDA amounted to SEK 208.7 m (201.7), an increase by 3.5 percent or SEK 7.0 m. Items affecting comparability year to date amounted to SEK -15.5 m (-12.5) and comprised of expenses related to improvements of processes and procedures of SEK -6.6 m (-10.9), acquisition expenses of SEK -3.3 m (-1.1), provision of costs related to disputes (from 2016) SEK -2.9 m (0.0), integration expenses due to acquisitions SEK -2.0 m (-0.5) and an adjustment of non-deductible VAT of SEK -0.7 m (0.0).

Operating profit (EBIT) amounted to SEK 112.7 m (119.1), which included depreciation and amortization of SEK -96.0 m (-82.5) due to depreciation of tangible assets and concessions of SEK -93.2 m (-79.5) and amortization of intangible assets of SEK -2.8 m (-3.0).

Net financial items totaled SEK -45.4 m (-20.7) related to interest expenses for the corporate bond of SEK -46.0 m (-44.8), external interest related to leasing of SEK -1.6 m (-0.9), a change in fair value of contingent consideration for Samgräv SEK -0.3 m (-0.3) and a revaluation of the derivative for the right of early redemption of the corporate bonds of SEK 2.5 million (1.5). The fourth quarter of 2019 was affected by a reversal of SEK 23.8 million attributable to the provision of the contingent purchase price for Samgräv.

Net profit for the period totaled SEK 46.6 m (77.9) with an effective tax rate of 30.8 percent (20.9). The high tax rate is due to a reversal of a deferred tax asset (SEK 6.8 m), which arose during 2019/2020, due to the parent company not being able to make full use of its interest deductions under the EBITDA interest deduction limit rule (added 2019). The change in the ownership structure has been assessed as a material event, which has resulted in a write-down of the recognized deferred tax asset. If this write-down is excluded the effective tax rate for the year would be 20.7 percent

Cash flow

The Group's cash flow from operating activities totaled SEK 136.1 m (147.4) a reduction by SEK -11.4 m. The change in cash flow was a result of an increased cash flow from operating activities before changes in working capital of SEK 144.4 m (131.2) partly offset by a negative change in working capital of SEK -8.3 m (16.2). This is mainly due to payment seasonality of Bellman's subcontractors 2020 compared to 2019 and that Samgräv has a customer whose certification procedures take slightly longer, compared to those of other customers.

Cash flow from investing activities totaled SEK -99.7 m (-132.4). This was a result of the acquisition of SÅCAB and LHB of SEK -50.6 m (-94.2 Samgräv acquisition), investments in

tangible assets of SEK -68.5 m (-58.1), which included Bugärde (SEK -23.1 m), and sales of equipment of SEK 19.4 m (20.0).

Cash flow from financing activities totaled SEK -66.0 m (43.9) and was mainly a result of payment of leasing debt of SEK -30.6 m (-16.5), amortization of the vendor loan for Bellmans of SEK -17.0 m (-19.5), early payment of part of the lease debt for the newly acquired LHB of SEK -11.1 m (0.0), 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 95.7 million was raised while an older loan of SEK -15.8 million was resolved.

The cash flow for the period amounted to SEK -29.6 m (58.9) resulting in cash and cash equivalents at end of 2020 of SEK 123.8 m compared to SEK 153.4 m at the end of 2019.

Acquisitions

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

On 15 December 2020, the Group acquired all the shares of Losshållningsbolaget i Sverige AB.

The Group acquired more land in Gothenburg on 15 December 2020 through the acquisition of Bugärde Utveckling AB, an acquisition fully financed through own funds, which did not affect the number of shares or bond loan.

For more information, See note K14 Business combinations.

Net interest-bearing debt

The Group's net interest-bearing debt for covenant purposes, as of 31 December 2020, amounted to SEK 476.2 m (451.3). This comprised of bonds to a nominal value of SEK 600.0 m (600.0) less cash and cash equivalents of SEK 123.8 m (153.4). Interest-bearing net debt in relation to rolling twelve-month pro forma¹⁾ EBITDA before items affecting comparability on 31 December 2020 was 2.39 (2.06).

Total net debt amounted to SEK 605.6 m compared to SEK 550.5 m, as of 31 December 2019, and included a corporate bond of SEK 600.0 m (600.0), lease liabilities of SEK 111.1 m (73.0), a conditional purchase price for the acquisition of Samgräv at a fair value of SEK 12.6 m (12.3), a delayed consideration for the acquisition of LHB of SEK 4.2 m (0.0), vendor loan (Bellmans) of SEK 1.6 m (18.6) partly reduced by cash and cash equivalents of SEK 123.8 m (153.4).

Financial position and finance

At the end of the period, the Group had cash and cash equivalents of SEK 123.8 m compared to SEK 153.4 m, as of 31 December 2019. Including an undrawn overdraft facility available cash and cash equivalents totaled SEK 167.8 m (191.4).

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 5.2 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. See Significant events after the end of the financial year.

Human resources

On 31 December 2020, the Group had 385 (370) employees. Of these, 175 (170) were employed by VSM, 108 (96) employed by Uppländska, 72 (77) employed by Bellmans, 16 (21) employed by Samgräv, 8 (0) employed by SÅCAB and 6 (6) employed by the Parent Company.

Material risks and uncertainties

The Group is exposed to most of the global and Group-specific risks that can impact operations and results of operations, and the Group's financial position. The Group is active in the construction and civil engineering sectors, which are impacted by macroeconomic factors. An economic downturn, and especially poor progress of the construction industry and/or a downturn in the civil engineering sector, could result in a reduction in demand for the services the Group provides.

Most of the Group's sales relate to the Stockholm and Gothenburg regions, and the Group is especially dependent on the construction and civil engineering markets in these geographical regions. Predictable risks are identified and monitored centrally on the basis of predetermined guidelines. The Group's risk management is intended to position the Group to be able to operate actively in any risk situations.

A list of the risks the Group considers material follows:

Operational risks

Market: The demand for Bellman Group's services is highly dependent on the construction cycle and general economic cycle. The risk of a declining business cycle on one or several markets is balanced by Bellman Group having good diversification of customers over different markets (infrastructure etc.) Bellman Group utilizes the most precise forecasting possible to enable it to adapt and adjust the Group's capacity to actual market demand, to manage operations profitably, and remain competitive.

Offering: The risk that the Group is unable to adapt or change its offering and services to correspond to customer needs and expectations, which may result in it losing revenue and/or reducing competitive advantages. This applies, for example, to technological progress and digitalization.

Competition: Bellman Group's operations are conducted in competitive sectors. There is a risk of increased competition from new, or foreign players.

Fuel prices: Diesel is an important commodity for Bellman Group, and price volatility on diesel is a risk factor. Supply and demand control pricing on the global market, and any price increases, also usually affect Bellman Group's competitors.

Production capacity: A shortage of employed staff and subcontractors in excavation, blasting and transportation services is a risk factor.

Staff dependency: The risk of dependency on key individuals within the Group, which may cause inefficiency or lost business opportunities/relationships.

Acquisition and integration: The risk of ineffective integration between Group companies, which may result in Bellman Group being unable to exploit synergies within the Group. The integration of newly acquired enterprises also puts a strain on existing operations.

Costing and supporting data: The risk of erroneous project costings in tendering procedures, which may result in overestimation of the capability to deliver or underestimation of costs. There is also a risk of inadequate supporting data for major investments, which may generate unforeseen costs and/or unwanted capital tied-up.

IT infrastructure: The risk of fragmented IT infrastructure and IT operations, which may lead to greater complexity, increased costs and reduced synergy effects within IT.

Supplier dependency: The risk of supplier dependency, which may lead to increased costs, inefficiency and reduced flexibility in developing IT systems, for example.

Pandemics: There is a risk that the outbreak of the Covid-19 virus may have long-term consequences for the demand for Bellman Group's services, and skills succession, production capacity, as well as liquidity.

Financial risks

Refinancing risk: Refinancing risk can be described as insufficient access to long or short-term finance on the maturity of existing long or short-term finance. This risk is limited by the Group always having confirmed unutilized credit facilities that it considers sufficient, and always commencing the rearrangement of finance in good time prior to loan maturities.

Credit risk: Credit risk is defined as the risk of a counterparty being unable to fulfil its payment obligations to the Group. Credit risk in normal business operations relates primarily to accounts receivable.

Interest risk: Interest risk is the risk that the interest rate level on the Group's financial instruments is impacted by changes in market interest rates, which can have a negative impact on net interest income/expense.

Reporting risk: The risk of inaccurate financial reporting due to erroneous estimates, incorrect application of relevant accounting policies or other errors, which may result in inadequate decision-support data.

Liquidity risk: Liquidity risk is defined as the risk of not being able to fulfil payment obligations at due dates, without the cost of securing payment funds increasing considerably. Group Management continuously monitors forecasts of the Group's liquidity reserves and cash and cash equivalents, based on expected cash flows.

Legal risks

Legislation: The risk that extensive regulatory reform impacts the Group and companies, which may result in parts of operations being suspended. For example, related to diesel vehicles and environmental legislation.

Permits: The risk that companies do not possess or secure permits to conduct their operations, which may result in operations not being conducted as planned. For example, permits related to explosives and landfill.

Disputes: Legal disputes inherently involve the risk of loss of cases and expenses for representation, and in arbitration, arbitration boards.

Sustainability-related risks

Environment: There is a risk that a Bellman Group operation causes an environmental impact on air, soil and water. The Group's ambition is to reduce its direct and indirect environmental impact, and has been mapping its emissions (scope 1, 2 & 3)

compliant with the GHG protocol since 2020. The Group holds necessary permits for operations requiring permits, and permits for transporting hazardous waste.

Health & Safety: The risk of inadequate health & safety (physical and psychosocial) or a lack of understanding of risk among Bellman Group staff, which may cause increased staff turnover, sickness absence and/or personal injury, reduced productivity and have legal consequences. Inadequate safety on vehicles/machinery and at workplaces may cause personal injury, accident and death. The safety of staff is a top priority, and the Group works continuously to create and maintain safe workplaces, to train colleagues on safety and increase risk awareness.

Attractive workplace: Bellman Group manages the risk of being unable to retain or hire qualified labor and/or the right skills not being available on the labor market by endeavoring to achieve a good working environment and internal skills management, and taking responsibility for training new staff that show potential. Bellman Group also safeguards the rights of all parties to fair treatment and protection against discrimination. Bellman Group maintains diversity within the company to improve business opportunities, and by pursuing issues of inclusivity and equal opportunity.

Business ethics: The risk of poor business ethics, including impropriety, bribery and corruption, which may cause extra costs, fines and/or reputational damage.

Subcontractors: The risk that contractors and subcontractors do not satisfy Bellman Group's Code of Conduct for suppliers, which may cause extra costs, personal injury, environmental damage, lost assignments/contracts and/or reputational damage. Bellman Group makes requirements including possession of notices of tax assessment for self-employed people, ID06 identity cards including mandatory standards applying to social conditions, environmental and climate impact, as well as human rights applying to subcontractors/contractors.

Share capital

At the beginning of the financial year, registered share capital was SEK 2,086,991, divided between 2,086,991 shares with a quotient value of SEK 1. During 2020 no shares has been issued. There is only one class of shares in the company and each share carries one vote.

Shareholders

At year-end 2020, there was a total of 12 (12) shareholders. Bellman Group's largest shareholder is Verdane Holding AB, which holds 35.8% of the capital and votes. See Significant events after the end of the financial year.

Significant events after the end of the financial year

In mid-January 2021, the ownership structure of the Bellman Group changed through restructuring measures and acquisitions, which means that Verdane now controls 72.3 percent of the equities, while management and parts of the Board control the remaining 27.3 percent through holding companies.

On January 18, the acquisition of Ivarssons was completed, which was announced on December 11, 2020. The company will continue to operate as a subsidiary of the Group and will form its own operating segment alongside VSM, Bellmans, Uppländska, Samgräv and SÅCAB.

On January 27, 2021, it was announced that Bellman Group

had issued senior covered corporate bonds of SEK 900 million under a framework of SEK 1.5 billion. The Group has also raised senior secured bank financing of the amount up to SEK 250 million as part of the refinancing of the Bellman Group. The bonds 2021/2026 have a maturity of 5 years and run at a floating rate of 3 months STIBOR plus 500 basis points with final maturity on 10 February 2026. The intention is that the new bonds will be listed on Nasdaq Stockholm's corporate bond list and admitted to trading within 30 days of the issue date February 10, 2021. In connection with this, Bellman Group has called for full early redemption of the company's existing outstanding bonds 2017/2022.

A settlement was reached in a planned arbitration procedure between VSM and its subcontractor Mårsta Förenade on 24 March. The settlement resulted in VSM receiving damages of 6.5 MSEK, recognized as other income in March 2021. On April 22 Norrvinge was acquired. Norrvinge consists of Norrvinge Lastbilscentral AB, Grus & Makadam Syd AB and EliaExpress i Halmstad AB. The purchase consideration is SEK 283 m, paid in cash and through a vendor take-back. A contingent consideration may be payable subject to specific terms. The sellers of Norrvinge are re-investing a portion of the purchase consideration in Bellman Group, thus becoming its second-largest shareholder after Verdane. The acquisition is subject to conditions including Swedish Competition Authority approval.

Parent Company

Bellman Group AB was incorporated in April 2017. Net sales in the year were SEK 20.0 m (16.4). 100% of sales are intra-group. EBIT was SEK -9.7 m (-12.8), and profit (loss) after financial expenses was SEK -47.0 m (-48.7). Profit for the year was SEK 17.2 m (2.1), mainly consisting of group contributions received. Cash and cash equivalents were SEK 107.1 m (144.4) at year-end, equity was SEK 353.2 m (336.0), and the equity/assets ratio was 28.5% (27.3). The Parent Company had 6 (6) employees in 2019. The total number of ordinary shares as of 31 December 2019 was 2,086,991 (2,086,991).

Corporate Governance Statement and Sustainability Report

Pursuant to chap. 6 §8 and §11 of the Swedish Annual Accounts Act, Bellman Group decided to prepare a Corporate Governance Statement and Sustainability Report separately from the Board of Directors' Report. The Corporate Governance Statement is on pages 36-41 and the Sustainability Report is on pages 28-33.

BELLMAN GROUP - PROPOSED APPROPRIATION OF PROFITS

The following profits are at the disposal of the Annual General Meeting:

Amounts in SEK	
Share premium reserve	259,962,442
Profit brought forward	73,974,268
Profit for the year	8,615,555
Total	342,552,265
The Board of Directors is proposing that these funds are appropriated as follows:	
Carried forward	342,552,265
Total	342,552,265

Consolidated accounts

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	2020	2019
Net sales	K4	1,677.5	1,755.5
Other operating income	K6	12.5	8.2
Total revenue		1,690.1	1,763.7
Operating expenses			
Raw materials and consumables	K18	-1,156.6	-1,244.2
Other external expenses	K9, K10	-59.1	-60.0
Employee expenses	K8	-266.3	-260.5
Total depreciation, amortization	K10, K15, K16	-96.0	-82.5
Profit/loss from shares in associated companies		2.7	3.7
Other operating expenses	K7	-2.2	-1.0
Total operating expenses		-1,577.4	-1,644.6
Operating profit (EBIT)		112.7	119.1
Financial income	K11	2.6	25.5
Financial expenses	K11	-47.9	-46.1
Net financial items		-45.4	-20.7
Profit after net financial items		67.3	98.4
Income tax	K12	-20.7	-20.6
Net profit for the period		46.6	77.9
Profit attributable to:			
- Owner's Income		44.7	76.7
- Non-controlling interests		1.8	1.2
Earnings per share (SEK), basic and diluted	K13	21.4	37.1
Average number of shares, thousands		2,087.0	2,067.1
Statement of comprehensive income			
Net profit for the period		46.6	77.9
Other comprehensive income			
<i>Items reclassifiable to profit or loss</i>			
Exchange differences on translation of foreign operations		-0.1	0.0
Total comprehensive income for the period		46.5	77.9
Total comprehensive income for the period is attributable to:			
- Owner's Income		44.6	76.7
- Non-controlling interests		1.8	1.2

CONSOLIDATED BALANCE SHEET

SEK m	Note	31 December 2020	31 December 2019
Assets			
Non-current assets			
<i>Intangible assets</i>			
	K15		
Goodwill		464.0	452.2
Software		1.6	2.0
Trademarks and order books		0.6	2.1
Total intangible assets		466.1	456.3
<i>Tangible assets</i>			
	K16		
Plant and machinery		250.3	275.3
Equipment, tools, fixtures and fittings		8.3	5.9
Buildings and land		159.1	84.5
Leases	K10	107.4	72.7
Other tangible assets		0.1	0.1
Total tangible assets		525.3	438.5
<i>Non-current financial assets</i>			
Derivatives	K17	5.2	2.7
Investment in associates		10.3	7.0
Other non-current financial assets	K17	1.3	1.2
Total non-current financial assets		16.8	10.9
Deferred tax	K24	1.8	1.1
Total non-current assets		1,010.0	906.9
Current assets			
<i>Inventories</i>			
Raw materials and consumables	K18	11.8	7.8
Total inventories		11.8	7.8
<i>Current receivables</i>			
Trade receivables	K17	232.6	214.7
Current tax assets		22.3	30.7
Prepaid expenses and accrued income	K17, K20	60.9	44.3
Other current receivables	K19	5.4	5.7
Total current receivables		321.1	295.4
Cash and cash equivalents	K17, K21	123.8	153.4
Total current assets		456.8	456.6
TOTAL ASSETS		1,466.8	1,363.5

CONSOLIDATED BALANCE SHEET

SEK m	Note	31 December 2020	31 December 2019
Equity and liabilities			
Equity	K22		
Share capital		2.1	2.1
Other contributed capital		235.3	235.3
Reserves		-0.1	0.0
Retained earnings (including net profit/loss for the period)		173.4	128.6
Total equity - owner's equity		410.6	366.0
Total equity - non-controlling interest		7.3	6.2
Total equity		417.9	372.2
Non-current liabilities			
Deferred tax liabilities	K24	67.1	53.4
Bond loans	K5, K17, K23	591.3	585.5
Non-current lease liabilities	K5, K17, K23	71.9	50.8
Other non-current liabilities	K5, K23	19.3	13.9
Total non-current liabilities		749.6	703.6
Current liabilities			
Trade payables	K5, K17, K23	150.8	139.6
Current tax liabilities		14.6	15.8
Accrued expenses and deferred income	K26	84.5	81.9
Current lease liabilities	K5, K17, K23	36.0	22.2
Other current liabilities	K5, K17, K23, K25	13.4	28.2
Total current liabilities		299.2	287.7
TOTAL EQUITY AND LIABILITIES		1,466.8	1,363.5

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK m	Attributable to shareholders of Bellman Group AB						Total equity
	Share capital	Other contrib. capital	Reservs	Retained earnings	Owner's Equity	Non-controlling interests	
Opening balance, 1 January 2019	1.9	191.5		52.2	245.6	5.6	251.2
Net profit/loss for the period	0.0	0.0		76.7	76.7	1.2	77.9
Total comprehensive income	0.0	0.0		76.7	76.7	1.2	77.3
Issue of new shares ¹⁾	0.2	43.8		-0.3	43.7	0.0	43.7
Dividend from non-controlling interest	0.0	0.0		0.0	0.0	-0.6	-0.6
Transactions with shareholders in their roles as owners	0.2	43.8		-0.3	43.7	0.0	43.7
Closing balance, 31 December 2019	2.1	235.3		128.6	366.0	6.2	372.2
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	44.7	44.7	1.8	46.6
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	44.7	44.6	1.8	46.4
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, 31 December 2020	2.1	235.3	-0.1	173.4	410.6	7.3	417.9

¹⁾ Share capital of SEK 142.349 was registered on 21 February, 2019. Total equity increased by SEK 44.0 m, which represents a new issue of shares in the acquisition of Samgröv.

See note K22 Equity for more details.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	Note	2020	2019
Cash flow from operating activities			
Operating profit		112.7	119.1
<i>Adjustment for non-cash items</i>			
Depreciation and amortization	K30	96.0	82.5
Other non-cash items	K30	-3.1	-10.9
Interest received		0.1	0.2
Interest paid		-41.8	-40.0
Dividends from associated companies		0.5	9.9
Income taxes paid / received		-19.9	-29.5
Cash flow from operating activities before changes in working capital		144.4	131.2
Change in inventories		-4.1	-2.8
Change in current receivables		-35.1	-6.4
Change in current liabilities		15.1	25.4
Change due to new acquisitions		15.8	0.0
Total change in working capital		-8.4	16.2
Cash flow from operating activities		136.0	147.4
Cash flow from investing activities			
Acquisition of subsidiaries, net of acquired cash and cash equivalents	K14	-50.6	-94.2
Investments in tangible assets	K16	-68.5	-58.1
Sale of tangible assets		19.4	20.0
Cash flow from investing activities		-99.7	-132.4
Cash flow from financing activities			
Repayment of lease liability	K31	-30.6	-16.5
Loans raised	K31	0.0	95.7
Repayment of loans	K31	-34.6	-35.3
Dividends paid to minorities		-0.8	0.0
Cash flow from financing activities		-66.0	43.9
Cash flow for the period			
Cash and cash equivalents at the beginning of the period		-29.6	94.5
Foreign exchange difference		0.0	0.0
Cash and cash equivalents at end of period		123.8	153.4

Notes to the consolidated financial statements

NOTE K1 GENERAL INFORMATION

Bellman Group AB (publ), corporate identity number 559108-3729, is the parent company of Bellman Group with registered office in Solna, Sweden. The address of the head office is Vallgatan 9, 170 67 Solna.

Unless otherwise stated, all amounts are reported in million Swedish krona (SEK million). Information in brackets refers to the previous year.

NOTE K2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The most significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

Note K2.1 Basis of preparation

The consolidated financial statements of Bellman Group AB (publ), have been prepared in accordance with the Annual Accounts Act, RFR 1 "Supplementary Accounting Rules for Groups," related interpretations issued by the Swedish Financial Reporting Board (Rådet för Finansiell Rapportering) and International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets accounted for at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies.

Note K2.1.1 New or amended standards adopted by the Group

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

Note K2.2 Consolidation

Note K2.2.1 Basis of preparation 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 that control ceases.

Intercompany transactions, balances and unrealized gains or losses 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. This is generally the case where the Group holds between 20 percent and 50 percent of the voting rights.

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

The cost of acquisition is adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee. The Group's share of the investee's profit or loss is included in the Consolidated Income Statement. Dividends received from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the entity (including any other unsecured long-term receivables, which in fact constitute part of the Group's net investment in the associate), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Note K2.3 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The Group Management of Bellman Group, which consists of the Chief Executive Officer, the Chief Financial Officer and the Presidents of subsidiaries, has been identified as being the chief operating decision maker and assesses the financial performance and position of the Group, and makes strategic decisions. Group Management has identified the reportable segments based on the information provided to them and which is used as a basis for allocating resources and evaluating results.

Group Management examines the operations based on the five operating segments VSM, Bellmans, Uppländska, Samgräv and SÅCAB. The parent company and the Group are followed up under Other. Group Management primarily uses EBITDA before items affecting comparability to assess the performance of operating segments.

Note K2.4 Foreign currency translation**Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Swedish krona (SEK), which is the parent company's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated to the functional currency using the exchange rates at the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are generally recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings are presented in the Income Statement, within finance costs. All other foreign exchange gains and losses are presented in the Income Statement on a net basis within other gains or losses.

Note K2.5 Revenue recognition

The majority of the Group's net sales consist of revenues from services such as rock blasting, rock drilling, excavation services (the Uppländska segment), transport and excavation services in the construction sector (the Bellmans segment), rock and gravel processing and soil excavation (the VSM segment), transport and landfill (the Samgräv segment) and transport and landfill (the SÅCAB segment). Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts received on behalf of third parties, such as VAT.

Sales of services

All services are rendered on open account, e.g. per hour, ton or square meter of material transported. For contracts where the Group has the right to consideration in an amount that directly corresponds to the value transferred to the customer, revenue is recognized at the amount the Group has a right to invoice. As the customer simultaneously receives and consumes the benefits provided by the Group, revenue is reported in the period in which the services are rendered. Since all service agreements are either shorter than one year or invoiced based on a fixed price per unit, e.g. time incurred, the transaction price allocated to these unsatisfied contracts is not disclosed.

Generally, invoicing is subsequent to providing service to the customer. When the Group has an unconditional right to payment for services performed, it recognizes an unbilled receivable (recognized as accrued income in the Balance Sheet, see note K20) until the date when invoicing occurs. Once the customer is invoiced, the unbilled receivable is derecognized and an account receivable is

recognized. However, if the customer pays for a good or a service in advance, before any service is rendered, a contract liability is recognized (presented as deferred income in the Balance Sheet, see note K26).

Sale of goods

Some contracts include the sale of goods. The Group's sales of goods mainly comprise the resale of materials in connection with the performance of service contracts, such as explosives. Contracts that contain several distinct performance obligations, such as materials and services, are therefore reported as separate performance obligations. The transaction price is then allocated to each performance obligation based on their stand-alone selling prices. Revenue from the sale of goods is reported when control of the goods has been transferred, being when the products are delivered to the customer.

Principal/agent

In some contracts, subcontractors are involved in a service delivery. In all these contracts, the Group is responsible for fulfilling the commitment to the customer and can set prices for the services at its own discretion. An assessment has been made that the Group acts as the principal in these transactions, as it has control over services before they are delivered to the customer. Revenues and expenses arising from these agreements are reported gross (not as commission).

Note K2.6 Leases**Leases – accounting policies according to IFRS 16, are applied from January 1, 2019**

The Group's leases are classified in the following asset classes: office premises, machines and equipment and land. The lease terms are negotiated individually and contain a variety of conditions. Apart from the short-term leases, the lease terms range between three and five years, with an average lease term of approximately four years. Some agreements contain extension options of different lengths.

For all contracts where the Group is a lessee (except the recognition exemptions applied, see below), a right-of-use asset and lease liability are reported on the day the leased asset is available for use by the Group. The right-of-use asset is initially measured at acquisition cost, which is equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the Balance Sheet at or before the commencement date, plus any indirect costs and estimated costs for the dismantling or disposal of the underlying asset and the restoration of the site, less any lease incentives received. In subsequent periods, the asset is depreciated over the shorter of the lease term and the useful life of the underlying asset. The right-of-use asset is also reduced by any impairment and for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of remaining lease payments, discounted using the interest rate implicit in the lease, or if that rate can be readily determined, the lessee Group's incremental borrowing rate. As a rule, the Group uses the marginal borrowing rate as a discount rate. The interest is recognised as an interest expense in the income statement. When determining the marginal borrowing rate, the Group has taken into account the entity within the group that entered into the lease, the length of the contract and the type of leased asset. The marginal borrowing rate reflects a secured loan of a similar right of use.

The lease payments included in the measurement of the lease liability consist of fixed payments, including in-substance fixed payments, variable lease payment that are based on an index or a rate, amounts expected to be payable by the lessee under residual value guarantees and the exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

The lease liability is measured at amortized cost using the effective interest method. The lease liability is remeasured if the lease payments change due to changes in an index or a rate, if the

amount expected to be payable under residual value guarantees changes, or if the Group changes its judgement of the possibility of exercising a purchase option or an option to extend or terminate a lease.

When the lease liability is remeasured a corresponding adjustment is made on the asset. If the asset's carrying amount is zero, the remeasurement is reported in the Income Statement.

The Group applies an explicit recognition and measurement exemption for short-term leases (leases for which the term ends within 12 months) and leases of low-value and recognise them on a straight-line basis as an expense in profit or loss. Non-lease components will be separated from lease components regarding properties. For machinery and equipment, non-lease components will be included in the lease liability. The Group has also elected not to apply IFRS 16 to intangible assets.

The Group presents right-of-use assets as well as lease liability as separate items in the Balance Sheet. In the Cash Flow Statement, payments of the principal portion of the liabilities is shown in financing activities. Interest payments and payments for short-term leases and leases of low value are recognized as cash flows from operating activities.

Note K2.7 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the: fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued by the Group, assets or liabilities resulting from a contingent consideration arrangement, and any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity (if the business combination is achieved in stages) over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase. Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified as either equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. Any gains or losses arising from remeasurement are recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Note K2.8 Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are

measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the Balance Sheet.

Post-employment obligations

The Group has only defined contribution pension plans. For defined contribution plans, the Group pays contributions to a separate legal entity. If this legal entity has insufficient funds to pay all the employee benefits connected to the employees' services during the current or previous periods, the Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when the employees perform services for the Group.

Note K2.9 Current and deferred tax

The income tax expense or credit for the period contains current and deferred taxes. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Current tax is calculated on the taxable profit for the period according to the applicable tax rate. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, based on amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and tax laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Note K2.10 Intangible assets

Goodwill

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity (if the business combination is achieved in stages) over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

For the purposes of assessing impairment, goodwill acquired through a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition. Each unit or group of units to which goodwill has been allocated, corresponds to the lowest level in the Group on which this goodwill is monitored in the internal governance. Goodwill is monitored at operating segment level.

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. The carrying amount of the cash-generating unit to which the goodwill is attributed is compared with the recoverable amount, which is the highest of the value in use and the fair value less selling

expenses. Any impairment is immediately reported as an expense and is not reversed in subsequent periods.

Trademarks

Separately acquired trademarks are shown at historical cost. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

Other intangible assets

Other intangible assets consist of order books and software.

Useful lives of the Group's intangible assets

Trademarks 2-3 years

Capitalized software is amortized over the life of the system (contract period) which is set to five years.

Note K2.11 Tangible assets

Tangible assets are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of asset and to bringing it into place and in condition to be utilized in accordance with the purpose of the acquisition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to the Income Statement during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method, net of their residual values, over their estimated useful lives, or, in the case of leased plant and equipment, the shorter lease term.

The useful lives are as follows:

Plant and machinery	4-8 years
Vehicles	3-5 years
Equipment, tools, fixtures and fittings	5-7 years
Sheds	5-15 years
Leasehold improvements	10-50 years
Buildings/land improvement	20 years
Land	indefinite

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

Note K2.12 Impairment of non-financial assets

Intangible assets with indefinite useful lives (goodwill) are not amortized but are tested for impairment annually. Assets which are depreciated or amortized 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.

Note K2.13 Financial instruments - general

Financial instruments are included in many different Balance Sheet items and are described below. See notes K5 Financial risk management, K17 Financial instruments by category and K23 Borrowings for disclosures on each type of financial asset and financial liability.

Note K2.13.1 Classification

The Group classifies its financial assets in the following measurement categories:

- Financial assets at fair value (either through other comprehensive income, or through profit or loss), and
- Financial assets at amortized cost

Classification of financial assets constituted by debt instruments is based on the company's business model for the management of the financial asset and the characteristics of the contractual cash flows from the financial asset. The Group recognizes its financial assets at amortized cost if the following conditions are met: the asset is held in accordance with the business model where the aim is to collect contractual cash flows and the contractual terms give rise to cash flows consisting solely of capital amounts and interest.

Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are financial assets that available for sale. Derivatives are classified as available for sale, except if they are designated as hedges. Financial assets measured at fair value through profit or loss are subsequently measured at fair value and any gain or loss is recognised in profit or loss. Changes in fair value are recognised in the Income Statement. The Group holds an early redemption option included in the bonds, which is recognised as a derivative. For more information, see notes K17 and K23.

Financial assets measured at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. The interest income from these financial assets is included in finance income using the effective interest rate method. The carrying amount of these assets is adjusted with any expected credit losses reported (see impairment below). The Group's financial assets measured at amortized cost include accounts receivable, other 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, accounts payable and other current liabilities and accrued expenses that are financial instruments are classified as other financial liabilities.

Note K2.13.2 Recognition and measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the Income Statement. Financial assets or parts thereof, are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability (or a part thereof) that has been 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 as other income or finance costs.

Where the terms of a financial liability are renegotiated and not derecognised, a gain or loss is recognised in profit or loss, which is measured as the difference between the original contractual cash flows and the cash flows of the modified borrowings discounted at the original effective interest rate.

Note K2.13.3 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Note K2.13.4 Impairment of financial instruments

The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The Group recognizes a credit reserve for these expected credit losses at each reporting date. For trade receivables, the Group applies the simplified approach, which requires expected lifetime losses to be recognised from initial recognition of the receivables. To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The Group also applies forward-looking information for expected credit losses. Expected credit losses are recognised in the Income Statement item other external expenses.

Note K2.14 Inventories

Inventories are recognized, using the first-in, first-out principle, at the lower of cost and net realizable value. The net realizable value is the estimated selling price in the operating activities, less applicable variable selling expenses.

Note K2.15 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If payment is expected within a year or earlier, they are classified as current. If not, they are classified as non-current.

Trade receivables are recognised initially at fair value and subsequently measured at amortized cost using the effective interest method, less loss allowance.

Note K2.16 Cash and cash equivalents

Cash and cash equivalents includes, in both the Balance Sheet and the Cash Flow Statement, cash and bank deposits.

Note K2.17 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Note K2.18 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been 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 as other income or finance costs.

Note K2.19 Trade payables

Trade payables represent liabilities for goods and services provided to the Group. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Note K2.20 Cash Flow Statement

The Cash Flow Statement is prepared according to the indirect method. The reported cash flow comprises only transactions that have led to cash inflows or payments.

Note K2.21 Earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the company by the weighted average number of ordinary shares outstanding during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares.

NOTE K3 SIGNIFICANT ESTIMATES AND JUDGEMENTS

Estimates and judgements are evaluated on an ongoing basis and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing circumstances.

Impairment test for goodwill

Each year, the Group performs an impairment test for goodwill, in accordance with the accounting policy described in note K2.10. Recoverable values for cash-generating units have been determined by calculating value in use. For these calculations, some estimates must be made. For more information, see note K15.

For further information on the group's financial risk management, see note K5.

NOTE K4 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 SÄCAB. 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 is now the only legal entity in this segment since Grundab Entreprenader i Stockholm AB was consolidated in May 2019. Bellmans was acquired on 1 July 2017 and is a haulage company founded in 1972. The business focus is on haulage and machine services, excavation, as well as mass handling. The business is geographically concentrated on the Greater Stockholm region and the surrounding area. Bellmans' head office is in Saltsjö-Boo, Stockholm.

Note K4, Segment information, cont.

Uppländska

Uppländska Bergbörnings AB is now one of two legal entities in this segment since Modern Sprängteknik i Norden AB, Uppländska Bergkrossnings AB and Sprängarbeten i Trönödal AB were consolidated in May 2019. The other legal entity is Losshållningsbolaget i Sverige AB that was acquired on December 15, 2020. Uppländska was acquired on 1 July 2017 and founded in 1972. The business focus is on rock blasting, rock drilling, wire sawing and rock splitting. Operations are nationwide in Sweden. The head office for 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 contracting machine company with operations mainly in rock and aggregate processing at stationary and mobile crushing plants, contracts within road, tunnel, construction and project development, as well as leasing machines and drivers. Operations are nationwide in Sweden. The head office is in Kallhäll, Stockholm.

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 haulage services, but also has its own landfills and crushing operations. In December 2020 Bugärde Utveckling AB was acquired (by Bellman Group AB), which is a large area of land in Härryda kommun, that can be utilized as a landfill in the future. The business is concentrated geographically on Western Sweden. The head office for Samgräv is in Kungälv.

SÅCAB

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

Other (Parent company & Group)

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

Net sales

Sales between segments are made on market terms. Revenue for the segments arising from external customers as reported to Group Management is measured in the same manner as in the Consolidated Income Statement.

Note K4, Segment information, cont.

Segment information

SEK m	2020	2019
Net sales		
Uppländska	279.3	260.1
Bellmans	526.5	660.2
VSM	707.0	717.2
Samgräv	235.1	231.9
SÅCAB	122.1	0.0
Elimination, inter-company sales	-192.4	-113.9
Total revenue	1,677.5	1,755.5
EBITDA before items affecting comparability		
Uppländska	33.3	29.7
Bellmans	26.5	35.7
VSM	128.9	131.3
Samgräv	25.0	19.0
SÅCAB	10.8	0.0
Other	-0.3	-1.6
Total EBITDA before items affecting comparability	224.1	214.1
Operating profit (EBIT)		
Uppländska	12.7	15.9
Bellmans	10.2	23.2
VSM	77.6	79.6
Samgräv	19.0	13.7
SÅCAB	8.4	0.0
Other	-15.2	-13.2
Total operating profit (EBIT)	112.7	119.1
Depreciation and amortization		
Uppländska	-18.3	-13.5
Bellmans	-16.3	-12.5
VSM	-50.8	-49.1
Samgräv	-6.0	-4.3
SÅCAB	-1.6	0.0
Other	-3.1	-3.1
Total depreciation and amortization	-96.0	-82.5

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

SEK m	2020	2019
EBITDA before items affecting comparability	224.1	214.1
Items affecting comparability ¹	-15.5	-12.5
Depreciation, amortization and impairment	-96.0	-82.5
Financial items and untaxed reserves	-45.4	-20.7
Profit before tax	67.3	98.4
Working capital excl. taxes		
Uppländska	20.9	24.7
Bellmans	-4.8	-12.0
VSM	43.8	34.7
Samgräv	6.4	-4.2
SÅCAB	4.4	0.0
Other	-5.5	-2.1
Total working capital excl. taxes	65.3	41.1

¹ YTD 2020 items affecting comparability were reported in segments Uppländska, SÅCAB, VSM and Other; For the period January - December, these totaled SEK -15.5 m (-12.5) and consisted costs for improvements in processes and procedures SEK -6.6 m (-10.9), acquisition costs SEK -3.3 m (-1.1), provision of costs related to a disputes SEK -2.9 m (0.0), litigation expenses SEK -2.0 m (-0.5) and non-deductible VAT SEK -0.7 m (0.0).

Note K4, Segment information, cont.

Sales split

2020	Sales split	Sales split	Sales split
Geographical sales split	Stockholm region	Göteborg region	Rest of Sweden
Uppländska	46.7%	2.9%	50.4%
Bellmans	100.0%	0.0%	0.0%
VSM	57.2%	18.9%	23.9%
Samgräv	0.0%	100.0%	0.0%
SÅCAB	100.0%	0.0%	0.0%
Total Group	63.3%	20.1%	16.6%

2019	Sales split	Sales split	Sales split
Geographical sales split	Stockholm region	Göteborg region	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%

2020	Sales split	Sales split	Sales split	Sales split
Market sales split	Housing	Infrastructure	Commercial/Industry	Other
Uppländska	9.8%	41.6%	28.3%	20.3%
Bellmans	11.3%	56.8%	13.1%	18.8%
VSM	0.0%	61.9%	13.4%	24.7%
Samgräv	18.8%	37.6%	18.8%	24.8%
SÅCAB	40.0%	40.0%	0.0%	19.9%
Total Group	9.6%	52.9%	15.4%	22.1%

2019	Percent	Percent	Percent	Percent
Market sales 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%

NOTE K5 FINANCIAL RISK MANAGEMENT

Its operations mean that Bellman Group is exposed to several types of financial risk. The most significant risks are normally interest rate risk and credit risk. Other financial risks include financing risk and liquidity risk. Bellman Group does not speculate on fluctuations in the financial markets, but aims to reduce these risks and focus on the core business. Risks are managed in accordance with policies established by the Board of Directors. The Group identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units if necessary. The Board of Directors establishes written policies for both overall risk management and specific areas, such as refinancing risk, credit risk and interest rate risk. The overall objectives of Bellman Group's financing activities are to:

- Identify and reduce financial risks in the Group's business in a cost-effective manner
- Ensure that the necessary liquidity is always available for daily operations
- Reduce potential losses due to negligence of financial counterparties
- Achieving the best possible net financial income/expense through effective management within a given risk level
- Strive to be an attractive borrower and to plan in advance to ensure that the Group is offered financing on competitive market terms
- Reduce the refinancing risk by ensuring that alternative financial options are available

Refinancing risk

Refinancing risk can be described as the lack of access to long-term or short-term financing at the due date for existing long-term or short-term financing. The risk is limited by the fact that the Group has always confirmed unused credit facilities that are deemed to be sufficiently large and by refinancing always commencing well in advance of loan maturity.

The Group will endeavor to have access to both short and long-term loan facilities at any given time. This is achieved through advance planning, regular liquidity forecasts and good relations with creditors, taking into account the bond terms.

Liquidity risk

Liquidity risk is defined as the risk of not being able to meet payment obligations at the due dates without the cost of obtaining payment funds increasing significantly. Group Management continuously monitors forecasts of the Group's liquidity reserve and liquid funds based on expected cash flows

As of 31 December 2020, the Group had an unused credit facility in the form of overdraft facilities amounting to SEK 44 million (44). The overdraft facility can be used when needed and can be terminated by the bank without notice.

The table below shows the Group's non-derivative financial liabilities, broken down by the time remaining on the balance sheet date until the contractual maturity date. The amounts stated in the table are the contractual, undiscounted cash flows.

Financial risk management - liquidity risk

SEK m

Liquidity risk	Less than 1 year	Between 1 and 5 years	Total contractual cash flows	Carrying amount liabilities
At 31 December 2019				
Trade payables	139.6	0.0	139.6	139.6
Bonds	39.0	658.5	697.5	585.5
Vendor loan	17.0	1.6	18.6	18.6
Contingent consideration (Samgräv)	0.0	96.5	96.5	12.3
Finance lease liabilities	21.9	50.2	72.1	73.0
Total	217.5	806.8	1,024.3	829.0
At 31 December 2020				
Trade payables	150.8	0.0	150.8	150.8
Bonds	39.0	619.5	658.5	591.3
Vendor loan	0.0	1.6	1.6	1.6
Additional purchase price (LHB)	1.5	3.0	4.5	4.2
Contingent consideration (Samgräv)	0.0	96.5	96.5	12.6
Finance lease liabilities	38.4	71.9	110.3	107.9
Total	229.6	792.5	1,022.2	868.4

Note K5, Financial risk management, cont.

Credit risk

Credit risk is defined as the risk that a counterparty cannot meet its payment obligations to Bellman Group. Credit risk arises through holdings in cash and cash equivalents, balances with banks and credit institutions, and customer credit exposures including outstanding receivables. Credit risk within the normal business operations is primarily related to accounts receivable. Granted customer credits are based on a professional assessment of the customer in

question. Each Group company is responsible for following up and analysing credit risk for each new customer. The Group's sales are divided between a large number of customers, with a history of low credit losses. Credit risk is managed by Group Management.

Changes in the credit loss allowance are as follows:

Financial risk management - credit risk

SEK m	2020	2019
Change in trade receivables allowance		
Balance as of 1 January	11.4	8.1
Allowance of bad debt ¹	0.1	3.3
Total at 31 December	11.5	11.4

¹ See note K2 13.4 for further information regarding impairment calculations.

Individually assessed trade receivables which are considered uncollectible are impaired by directly reducing the carrying amount. During 2020 these amount to SEK -0.4 m (8.0). Estimated credit losses 2020 amounts to SEK 0.6 m (-3.4). Other receivables are assessed collectively to determine if there is objective evidence of impairment. Receivables for which an impairment reserve has previously been recognized are offset against the reserve when

the Group is no longer expected to recover further cash and cash equivalents. Impairment losses are recognized as other expenses in the Income Statement. If the impairment is reduced in a subsequent period, the reversal of the previously recognized impairment loss is recognized in the Consolidated Income Statement.

The Group has no deposit as collateral for these claims.

Financial risk management - Impairment of trade receivables / bad debt

SEK m	2020	2019
Impairment of trade receivables		
Realized losses	3.4	2.2
Change in trade receivables allowance	0.1	1.0
Reversal of prior impairment losses	-2.9	-6.6
Total impairment of trade receivables	0.6	-3.4

Interest rate risk

Interest rate risk refers to the risk that the interest rate level on the Group's financial instruments will be affected by changes in the market interest rate, which may adversely affect its net interest income.

The only significant external liabilities in Bellman Group's Balance Sheet as of 31 December 2020 are a corporate bond listed on Nasdaq Stockholm, amounting to SEK 600.0 m (600.0) (framework amount SEK 600.0 m) and a vendor note from Hasseludd Holding AB amounting to SEK 1.6 m (18.6). The maturity of the bond extends to 19 June 2022 and it accrues annual interest of STIBOR 3 months + 6.50 percentage points. If interest rates on borrowings at 31 December 2020 were 100 basis points higher, holding all other variables constant, the estimated profit after tax for the financial year had been SEK 6.0 m lower (6.0), mainly as an effect of higher interest expenses for borrowing with variable interest rate. The vendor note accrues no interest. According to the terms of the bond, the Group is also entitled to an overdraft facility of SEK 44.0 m to finance working capital (44.0). Bellman Group will, as far as possible, reduce

capital tied up, leading to positive effects in the Income Statement and Balance Sheet.

Capital structure

The Group's objectives when managing capital are to safeguard its ability to continue as a going concern, and to continue to provide returns for shareholders and benefits for other stakeholders.

Like its industry peers, the Group monitors capital based on the equity/assets ratio. This key performance indicator is calculated as equity divided by total assets. As of 31 December 2020, the Group's equity/assets ratio was 28.5% (27.3%), which is well above to Group goal of 20.0%.

Covenants

Under the terms and conditions of the bonds, certain covenants must be met each time the Group enters into a new business combination. All covenants were satisfied in connection with the acquisitions of SÅCAB and LHB.

NOTE K6 OTHER OPERATING INCOME

SEK m	2020	2019
Other operating income		
Gain on sale of machinery and equipment	5.0	4.4
Other income	7.5	3.8
Total other operating income	12.5	8.2

NOTE K7 OTHER OPERATING EXPENSES

SEK m	2020	2019
Other operating expenses		
Loss on sale of machinery and equipment	2.2	1.0
Total other operating income	2.2	1.0

NOTE K8 EMPLOYEE BENEFITS**Employee benefits**

SEK m	2020	2019
Salaries and other benefits	175.5	170.1
Social security contributions	52.1	53.6
Pension cost - defined contribution plans	14.6	11.6
Total employee benefits	242.2	235.3

Division of employee benefits

SEK m	2020		2019	
	Salaries and other benefits	Social security (of which pension cost)	Salaries and other benefits	Social security (of which pension cost)
Board members, CEOs and other Senior Executives	16.1	7.3 (2.3)	14.3	10.5 (2.2)
Other employees	159.4	59.4 (8.9)	155.8	54.7 (6.4)
Total Group	175.5	66.7 (11.2)	170.1	65.2 (8.6)

Number of employees	Average number of employees		Average number of employees	
	Average number of employees	Of which are men	Average number of employees	Of which are men
Sweden	363	299	363	308
Total Group	363	299	363	308

Gender division in the Group of Directors and other senior executives:

SEK m	2020		2019	
	Average number	Of which are men	Average number	Of which are men
Board members	5	2	5	3
CEO and other senior executives	6	6	6	6
Total Group	11	8	11	9

Remuneration of senior executives

Senior executives include the Directors and Group Management and their remuneration is:

SEK m	2020	2019
Salaries and other short-term benefits	18.4	16.5
Total remuneration of senior executives	18.4	16.5

Note K8, Employee benefits, cont.

Remuneration and other benefits 2020

SEK m	Variable					Total
	Basic salary	remuneration	Other benefits ¹	Pension cost	Consulting fee	
Chairman of the Board Björn Andersson	0.4	-	-	-	-	0.4
Group CEO and Director Håkan Lind	1.9	0.9	0.1	0.3	-	3.2
Director Ingallill Östman	0.3	-	-	-	-	0.3
Director Per Rosenmüller Nordlander	-	-	-	-	-	-
Director Anne-Lie Lind	0.3	-	-	-	-	0.3
Director Charlotte Hybinette	0.3	-	-	-	-	0.3
Other senior executives ²	8.0	3.5	0.6	2.0	-	14.0
Total Group	11.1	4.4	0.7	2.3	-	18.4

¹ Other benefits are company cars.² Five senior Executives; CFO and four Subsidiary Presidents.**Remuneration and other benefits 2019**

SEK m	Variable					Total
	Basic salary	remuneration	Other benefits ¹	Pension cost	Consulting fee	
Chairman of the Board Björn Andersson	0.4	-	-	-	-	0.4
Group CEO and Director Håkan Lind	1.7	0.8	0.1	0.3	-	3.0
Director Christina Ragsten (until Oct 16, 2019)	0.2	-	-	-	-	0.2
Director Ingallill Östman	0.2	-	-	-	0.0	0.3
Director Per Rosenmüller Nordlander	-	-	-	-	-	-
Director Anne-Lie Lind (from Oct 16, 2019)	0.1	-	-	-	-	0.1
Director Charlotte Hybinette (from Oct 16, 2019)	0.1	-	-	-	-	0.1
Other senior executives ²	7.2	3.1	0.5	1.9	-	12.7
Total Group	9.7	4.0	0.6	2.2	0.0	16.5

¹ Other benefits are company cars.² Five senior Executives; CFO and four Subsidiary Presidents.**Guidelines**

Fees are paid to the Chairman and Directors in accordance with the resolution of the Annual General Meeting. No separate fee is paid for committee work. The Board of Directors has adopted on the following guidelines regarding remuneration of management: remuneration to the CEO and other senior executives comprises basic salary, variable remuneration, other benefits and pension. "Other senior executives" are the five persons who together with the CEO make up Group Management. These are Roger Axelsson (the Group's CFO), Robin Karlsson (President of Uppländska), Staffan Haglund (President of VSM), Dick Örn (President of Bellmans and SÅCAB) and Mathias Cederblad (President of Samgräv).

- The President's total remuneration is decided by the board. Guidelines for remuneration of other members of Group Management are proposed by the Remuneration Committee and adopted by the Board. Bellman Group strives to offer a competitive total compensation package that enables it to recruit and retain senior executives. The total compensation package is based on factors such as position, performance and individual qualifications. The total remuneration paid to members of Management consists of a basic salary, variable cash remuneration, pension, and other remuneration and benefits.
- Basic salary is reviewed annually and is used as a basis for calculating variable remuneration.

- Variable cash remuneration is dependent partly on the individual's achievement of annually defined targets and partly on the achievement of predefined financial targets. The outcome is followed up annually. All members of Group Management have the opportunity to receive a variable remuneration corresponding to a maximum of six times the fixed monthly salary. There is thus a clear link between remuneration, individual performance and the performance of the Group as a whole.
- Senior executives are entitled to retirement benefits in accordance with their respective occupational pension plans.
- Other remuneration and benefits must be in line with market levels and help the senior executive to fulfil his or her duties, such as a company car, occupational health benefits, etc.

Senior executives are entitled to 12 months' notice if the employment is terminated by the employer and 6 months if the employee resigns. For all, a non-competition restriction applies in the notice of termination is given by the employee. If there are special reasons in any individual case, the Board has the right to depart from the above guidelines.

Defined contribution plans

The Group only has defined contribution pension plans. Pension cost refers to the cost that affected the profit for the year.

NOTE K9 AUDIT FEES

SEK m	2020	2019
<i>PwC:</i>		
Audit engagement	2.3	2.5
Tax advice	0.4	0.3
Other services	0.7	1.1
Total audit fees	3.4	3.9

Other services include general advice on accounting rules, valuation methods and formal requirements, as well as proof reading.

NOTE K10 LEASES**Leases 2019**

SEK m	Plant and Machinery	Building and Land	Total
Acquisition costs			
As of 1 January, 2019	22.6	0.0	22.6
Adjustments to additional leases	64.5	2.1	66.6
As of 31 December, 2019	87.1	2.1	89.2
Accumulated depreciation			
As of 1 January, 2019	0.0	0.0	0.0
Depreciation current year	-16.4	-0.1	-16.5
As of 31 December, 2019	-16.4	-0.1	-16.5
Carrying amount			
As of 31 December, 2019	70.6	2.1	72.7

Leases 2020

SEK m	Plant and Machinery	Building and Land	Total
Acquisition costs			
As of 1 January, 2020	87.1	2.1	89.2
Additional leases	69.0	0.0	69.0
Adjustments to additional leases	-6.4	0.0	-6.4
As of 31 December, 2020	149.6	2.1	151.7
Accumulated depreciation			
As of 1 January, 2020	-16.4	-0.1	-16.5
Depreciation current year	-30.5	-0.1	-30.5
Retirements and disposals	2.8	0.0	2.8
As of 31 December, 2020	-44.1	-0.2	-44.3
Carrying amount			
As of 31 December, 2020	105.5	2.0	107.4

Premises and Vehicles are reported as Plant and Machinery while Land is reported as Buildings and Land.

Leases Cash flow

SEK m	2020	2019
Depreciation of lease	-30.5	-16.5
Interest expenses for leasing liabilities	-1.6	-0.8
Costs attributable to short-term leases	-1.5	-2.4
Total cash outflow	-33.6	-19.5

Lease liabilities

Current	SEK 36.0 m (22,2)
Non-Current	SEK 71.9 m (50,8)

NOTE K11 FINANCIAL ITEMS

SEK m	2020	2019
Financial income		
Interest income	0.1	0.2
Adjustment of contingent consideration (Samgräv)	0.0	23.8
Revaluation of derivative for the right of early redemption of the corporate bonds	2.5	1.5
Other financial income	0.0	0.0
Total financial income	2.6	25.5
Financial expenses		
Interest expense bonds	46.0	44.8
Interest expense credit institutions	0.0	0.1
Interest expense leases	1.6	0.8
Discounted purchase price (Samgräv)	0.3	0.3
Interest expenses other	0.0	0.1
Total financial expense	47.9	46.1

NOTE K12 INCOME TAX

SEK m	2020	2019
Income tax		
<i>Current tax:</i>		
Current tax on profits for the year	18.0	16.2
Adjustment of current tax for prior periods	0.0	0.0
Total current tax expense	18.0	16.2
<i>Deferred income tax (note K24 Deferred tax):</i>		
Decrease/increase of temporary differences	-0.8	-0.3
Deferred tax attributable to tax losses	3.5	4.7
Total deferred income tax	2.7	4.4
Total income tax expense	20.7	20.6

Income tax on profit before tax differs from the theoretical amount when applying the tax rate in Sweden on the earnings of consolidated entities as follows:

SEK m	2020	2019
<i>Profit before tax:</i>	67.3	98.4
Income tax at the tax rate in Sweden (21.4%) & Norway (22.0%)	14.4	21.1
<i>Tax effect of amounts which are non-deductible (taxable):</i>		
Non-deductible expenses	-0.8	0.4
Non-taxable income	0.4	0.0
Reversal of a deferred tax asset	6.8	0.0
Total income tax expense	20.7	20.6
Group weighted average tax rate, %	30.8%	20.9%

The group's weighted average tax rate was 30.8% (20.9). The tax attributable to components of other comprehensive income amounts to SEK 0.0 m (0.0). The high tax rate is due to a reversal of a deferred tax asset (SEK 6.8 m), which arose during 2019/2020, due to the parent company not being able to make full use of its interest deductions under the EBITDA interest deduction limit rule (added 2019). The change in the ownership structure has been assessed as a material event, which has resulted in a write-down of the recognized deferred tax asset. If this write-down is excluded the effective tax rate for the year would be 20.7%.

NOTE K13 EARNINGS PER SHARE

	2020	2019
Earning per share, SEK		
Total basic earnings per share attributable to ordinary equity holders of the company	21.4	37.1
Total diluted earnings per share attributable to ordinary equity holders of the company	21.4	37.1
Profit measurement used in the calculation of earnings per share, SEK million		
Basic and diluted earnings per share:		
Income attributable to owners of the parent company	44.7	76.7
Weighted average number of shares		
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share	2,086,991	2,067,101

NOTE K14 ACQUISITION ANALYSIS**SÅCAB**

On 6 March 2020, the Group acquired all shares in SÅCAB Åkeri-central AB and indirectly its subsidiaries. SÅCAB is a company focused on haulage and machinery brokerage, but also operates its own landfill south of Stockholm. The acquisition strengthens

Bellman Group's position through the addition of a landfill in the Stockholm region. The total purchase price was SEK 77.0 m, and the acquisition was financed through own cash.

Information regarding purchase price, net assets acquired and goodwill is shown below:

SEK m	2020
Purchase consideration	
Cash paid	77.0
Total purchase consideration	77.0

The assets and liabilities recognized as a result of the acquisition were as follows:

SEK m	2020
Fair value net assets	
Cash and bank	35.6
Trade receivables	26.6
Buildings and land	40.3
Plant and equipment	4.7
Financial assets	1.0
Inventories	2.5
Other current receivables	0.7
Trade payables	-15.6
Deferred tax liabilities	-11.7
Other non-current liabilities	-2.1
Other current liabilities	-6.2
Assets SÅCAB	75.9
Intangible assets	1.1
Net assets acquired	77.0

Net assets acquired

Reported net asset value in SÅCAB at the date of the acquisition was SEK 75.9 m, with intangible assets amounting to SEK 1.1 m, of which SEK 0.6 m is goodwill. Goodwill is mainly attributable to synergies and other intangible assets that do not meet the criteria for separate accounting. The acquisition analysis has been updated during the fourth quarter, which resulted in a larger part of the excess value being allocated to the acquired property (Fors).

Acquired trade receivables

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

Revenue and profit contribution

The acquired business contributed with net sales of SEK 122.1 m and net profit (EBIT) of SEK 8.4 m for the period March - December 2020. If the acquisition had been completed on 1 January 2020, a consolidated pro forma as of 31 December 2020 shows net sales of SEK 152.6 m and an operating profit (EBIT) of SEK 15.0 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.

Note K14, Acquisition analysis, cont.

SEK m	2020
Cash Flow effect	
Paid to vendor (SÅCAB)	-77.0
Cash acquired business (SÅCAB)	35.6
Net effect on cashflow at acquisition	-41.4

Acquisition-related costs for SÅCAB of SEK 2.4 m have been included in other external expenses in the income statement and in operating activities of the cash flows statement YTD 2020.

Losshållningsbolaget

On 15 December 2020, Bellman Group acquired all shares in Losshållningsbolaget i Sverige AB. Losshållningsbolaget is a company focused on rock blasting, rock drilling, wire sawing and rock splitting and is geographically focused in mid- and south of Sweden. The acquisition strengthens Uppländska's segment and Bellman Group's position through additional capacity in this segment in the

mid/south of Sweden. The total purchase price was SEK 19.2 m, and the acquisition was financed through own cash, that consisted of a cash payment of SEK 15.0 million at the time of purchase and an additional purchase price of SEK 4.2 million that will be paid over a three-year period.

Information regarding purchase price, net assets acquired and goodwill is shown below:

SEK m	2020
Purchase consideration	
Cash paid	15.0
Deferred purchase price	4.2
Total purchase consideration	19.2

The assets and liabilities recognized as a result of the acquisition were as follows:

SEK m	2020
Verkligt värde tillgångar	
Cash and bank	5.8
Trade receivables	4.1
Plant and equipment	15.5
Other current receivables	0.6
Other current assets	2.7
Trade payables	-4.5
Deferred tax liabilities	-0.8
Other non-current liabilities	-13.6
Other current liabilities	-1.8
Assets Losshållningsbolaget	7.9
Intangible assets	11.2
Net assets acquired	19.2

Net assets acquired

"Reported net asset value in Losshållningsbolaget at the date of the acquisition was SEK 7.9 m, with intangible assets amounting to SEK 11.2 m, of which SEK 11.1 m is goodwill. Goodwill is mainly attributable to synergies and other intangible assets that do not meet the criteria for separate accounting."

Acquired trade receivables

Fair value of acquired trade receivables amounted to SEK 4.1 m which was equal to the gross amount.

Revenue and profit contribution

The business did not contribute with any net sales or operating profit (EBIT) during December 2020. If the acquisition had been completed on 1 January 2020, a consolidated pro forma as of 31 December 2020 shows net sales of SEK 29.4 m and an operating profit (EBIT) of SEK 2.5 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.

Note K14, Acquisition analysis, cont.

SEK m	2020
Cash Flow effect	
Paid to vendor (Losshållningsbolaget)	-15.0
Cash acquired business (Losshållningsbolaget)	5.8
Net effect on cashflow at acquisition	-9.2

Acquisition-related costs for LHB of SEK 0.5 m have been included in other external expenses in the income statement and in operating activities of the cash flows statement YTD 2020.

NOTE K15 INTANGIBLE ASSETS

SEK m	Goodwill	Trademark	Order book	Software	Total
Intangible assets					
As of 1 January, 2019					
Acquisition costs	330.2	6.5	0.7	0.0	337.4
Accumulated amortization	0.0	-3.1	-0.4	0.0	-3.4
Net book value	330.2	3.5	0.4	0.0	334.0
Year ended 31 December, 2019					
Opening net book value	330.2	3.5	0.4	0.0	334.0
Acquisition of subsidiary	119.5	1.1	0.0	0.0	120.6
Adjusted acquisition expenses	2.6	0.0	0.0	0.0	2.6
Capitalized software	0.0	0.0	0.0	2.2	2.2
Amortizations	0.0	-2.7	-0.2	-0.1	-3.1
Closing net book value	452.2	1.9	0.1	2.0	456.3
Year ended 31 December, 2020					
Opening net book value	452.2	1.9	0.1	2.0	456.3
Acquisition of business	11.7	0.8	0.0	0.0	12.5
Capitalized software	0.0	0.0	0.0	0.0	0.0
Amortizations	0.0	-2.1	-0.1	-0.5	-2.7
Closing net book value	464.0	0.6	0.0	1.6	466.1
As of 31 December, 2020					
Acquisition costs	464.0	8.4	0.7	2.2	475.3
Accumulated amortization	0.0	-7.8	-0.7	-0.6	-9.2
Net book value	464.0	0.6	0.0	1.6	466.1

Impairment tests for goodwill

Goodwill is monitored by Group Management at the level of the operating segments identified in note K4 Segment information. A segment-level summary of the goodwill allocation is presented below.

SEK m	2020	2019
Goodwill		
Uppländska (including Losshållningsbolaget)	11.9	0.8
Bellmans	145.6	145.6
VSM	186.4	186.4
Samgräv	119.5	119.5
SÅCAB	0.6	-
Total goodwill	464.0	452.3

Note K15, Intangible assets, cont.

Critical assumptions used for value-in-use calculations

The Group annually evaluates whether there is a need for impairment of goodwill. Recoverable values of cash-generating units have been determined by calculating the value in use, which requires certain assumptions to be made. The calculations are based on cash flow forecasts based on budgets determined by management for the coming year and the company's strategic business plan that extends until the end of 2025.

EBITDA margins used in the budgets for the units range from 5.5 to 17.3 percent (5.3 - 15.9). Annual sales growth after the coming year is calculated on basis of each unit's forecast and is given below.

When the value in use is calculated, a short-term revenue growth of 3.0-6.0 percent expected to be in line with the long-term growth rate indicated below. When the value in use is calculated, long-term revenue growth of 3.0 - 6.0 percent (4.0) has been applied. These have been set based on historical industry growth over the last 10-year period of over 5 percent. The increase between the years is mainly driven by additional large infrastructure projects spanning between 5-10 years. Long-term growth (terminal growth) has been set at 2% (3). The discount rate used after tax is between 10.7 and 11.1 percent (9.8 - 10.1).

Management has determined the values assigned to each of the above key assumptions as follows:

Assumptions	Approach used to determine values	Assumption in percentage 2020 (2019)				
		Uppländska	Bellmans	VSM	Samgräv	SÅCAB
Strategic growth rate (2022-2025):	This is the weighted average growth rate used to extrapolate cash flows beyond the budget period. The rates are consistent with forecasts included in industry reports and adjusted for entity business specifics.	4 % (4)	3 % (4)	3 % (4)	6 % (4)	3 % (N/A)
Terminal growth rate (>2025)	The average growth rate used to extrapolate cash flows after the forecast period after the forecast horizon.	2%(3)	2%(3)	2%(3)	2%(3)	2%(3)
Pre-tax discount rates:	Reflect specific risks relating to the relevant segments.	11.1 % (10.1)	10.8 % (9.8)	10.9 % (9.9)	11.0 % (10.0)	10.8 % (N/A)

Reasonable changes in key assumptions are not expected to lead to significant changes in value in use that would result in impairment of goodwill.

NOTE K16 TANGIBLE ASSETS

SEK m	Property, plant and equipment					Total
	Plant and machinery	Equipment, tools, fixtures and fittings	Buildings and land	Leases	Other tangible assets	
As of January 1, 2019						
Acquisition costs	425.3	12.5	0.0	8.5	0.0	446.3
Accumulated depreciation	-113.9	-7.8	0.0	-3.4	0.0	-125.1
Net book value	311.4	4.7	0.0	5.1	0.0	321.2
Year ended 31 December, 2019						
Opening net book value	311.4	4.7	0.0	5.1	0.0	321.2
Acquisition of business	26.3	0.0	50.9	0.0	0.0	77.1
Additions	23.4	-5.1	36.9	84.1	0.1	139.4
Retirements and disposals	-26.9	7.5	0.0	0.0	-0.3	-19.7
Depreciation	-58.9	-1.3	-3.2	-16.5	0.3	-79.5
Closing net book value	275.3	5.9	84.5	72.8	0.1	438.6
Year ended 31 December, 2020						
Opening net book value	275.3	5.9	84.5	72.7	0.1	438.5
Acquisition of business	20.2	0.0	40.3	0.0	0.0	60.5
Additions	25.4	4.4	38.7	69.0	0.0	137.4
Retirements and disposals	-13.8	-0.1	-0.4	-3.7	0.0	-18.0
Depreciation	-56.8	-1.9	-4.0	-30.6	0.0	-93.2
Closing net book value	250.3	8.3	159.1	107.4	0.1	525.3
As of 31 December, 2020						
Acquisition costs	531.1	12.3	175.3	151.7	0.1	870.6
Accumulated depreciation	-280.8	-4.0	-16.2	-44.3	-0.1	-345.3
Net book value	250.3	8.3	159.1	107.4	0.1	525.3

NOTE K17 FINANCIAL INSTRUMENTS BY CATEGORY

The Group holds the following financial instruments:

SEK m	Financial assets at fair value through profit and loss	Financial assets at amortized cost	Total
Financial assets			
As of 31 December, 2019			
Loans and receivables (excl. non-financial receivables)	0.0	250.5	250.5
Derivative financial instruments	2.7	0.0	2.7
Other non-current financial assets	1.2	0.0	1.2
Cash and cash equivalents	0.0	153.4	153.4
Net book value	2.7	403.8	406.5
As of 31 December, 2020			
Loans and receivables (excl. non-financial receivables)	0.0	248.6	248.6
Derivative financial instruments	5.2	0.0	5.2
Other non-current financial assets	1.3	0.0	1.3
Cash and cash equivalents	0.0	123.8	123.8
Net book value	6.5	372.3	378.9

SEK m	Liabilities at amortized cost	Total
Financial liabilities		
As of 31 December, 2019		
Trade and other payables (excl. non-financial liabilities)	139.6	139.6
Borrowings	700.5	700.5
Net book value	840.1	840.1
As of 31 December, 2020		
Trade and other payables (excl. non-financial liabilities)	150.8	150.8
Borrowings	732.0	732.0
Net book amount	882.8	882.8

For information regarding cash and cash equivalents, see note K5 Financial risk management and K21 Cash and cash equivalents. For information regarding financial liabilities, see note K23 Borrowings.

Financial assets at fair value through profit or loss

The Group's financial assets measured at fair value through profit or loss consist of an early redemption option included in the bond, which is reported as a derivative. The Group has classified this financial instrument at level 3 in the fair value hierarchy. No transfers between the levels were made during the period. The fair value of the derivative has been determined based on the present value and the applied discount rate has been adjusted for own credit risk. Observable input data refers to the risk-adjusted discount rate and the expected cash flows. As of 31 December 2020, fair value

amounted to SEK 5.2 million (2.7). The Group's other non-current financial assets were SEK 1.3 m (1.2), consisting of a securities holding in Märsta Förenade Åkeri AB of SEK 0.3 m (0.3) through VSM (Munthers) and a deposited advance to landowners of SEK 1.0 m (0.9), related to permits for Samgräv Recycling AB.

Impairment and risk exposure

Information on impairment of trade receivables, their credit rating and the Group's credit risk exposure can be found in note K5 Financial risk management.

NOTE K18 INVENTORIES

Inventories recognized as an expense in the item Raw materials and consumables in the Consolidated Income Statement amounted to SEK 168.9 m (121.1). Write-downs of inventories to net realizable value amounted to SEK 0.0 m (0.0).

NOTE K19 OTHER CURRENT RECEIVABLES

SEK m	2020	2019
Other current receivables		
VAT recoverable	4.9	5.4
Other receivables	0.4	0.4
Total other current receivables	5.4	5.7

The carrying amounts of other current receivables are considered to be the same as their fair values, since the impact of discounting is not significant.

NOTE K20 PREPAID EXPENSES AND ACCRUED INCOME

SEK m	2020	2019
Prepaid expenses and accrued income		
Prepaid leases	2.0	1.6
Accrued income	42.9	35.7
Other items	16.0	6.9
Total prepaid expenses and accrued income	60.9	44.3

NOTE K21 CASH AND CASH EQUIVALENTS

Cash and cash equivalents, in both the Balance Sheet and the Cash Flow Statement, consist of bank deposits.

NOTE K22 EQUITY

Share capital

All shares issued by the parent company are paid in full. On 31 December 2020, the total number of ordinary shares amounted to 2,086,991 (2,086,991). Ordinary shares have a nominal amount of SEK 1. The ordinary share is entitled one vote and entitles to dividend.

Other contributed capital

The item consists of equity attributable to the establishment of the Group, share premium and shareholder contributions.

Specification of the change in the number of shares, share capital and other contributed capital:

SEK m	Number of shares	Share capital	Other paid-up capital	Total
Year ended 31 December, 2019				
Opening balance	1,944,642	1.9	191.5	193.4
Acquisition of subsidiary	142,349	0.2	43.8	44.0
As of 31 December, 2019	2,086,991	2.1	235.3	237.4
Year ended 31 December, 2020				
Opening balance	2,086,991	2.1	235.3	237.4
Acquisition of subsidiary (note K14)	0	0.0	0.0	0.0
As of 31 December, 2020	2,086,991	2.1	235.3	237.4

In 2019, equity increased by SEK 44.0 m, consisting of a new issue of shares in the acquisition of Samgräv.

NOTE K23 BORROWINGS

SEK m	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Bonds	0.0	591.3	591.3	0.0	585.5	585.5
Lease Liabilities to credit institutions	36.0	71.9	107.9	22.2	50.8	73.0
Total secured borrowings	36.0	663.2	699.2	22.2	636.3	658.5
Unsecured						
Trade payables	150.8	0.0	150.8	139.6	0.0	139.6
Vendor loan (Bellmans)	0.0	1.6	1.6	17.0	1.6	18.6
Conditional purchase price (Samgräv)	0.0	12.6	12.6	0.0	12.3	12.3
Delayed purchase price (Losshållningsbolaget)	1.5	2.7	4.2	0.0	0.0	0.0
Other Liabilities (Losshållningsbolaget)	0.7	2.4	3.1	0.0	0.0	0.0
Total unsecured borrowings	153.0	19.3	172.3	156.6	13.9	170.4
Total borrowings	189.0	682.5	871.5	178.7	650.2	828.9

Contractual maturities of non-current financial liabilities:

SEK m	2020			2019		
	1-5 years	Over 5 years	Total	1-5 years	Over 5 years	Total
Secured						
Bonds	600.0	0.0	600.0	600.0	0.0	600.0
Financing costs	-8.7	0.0	-8.7	-14.5	0.0	-14.5
Total secured borrowings	591.3	0.0	591.3	585.5	0.0	585.5
Unsecured						
Vendor loan (Bellmans)	1.6	0.0	1.6	1.6	0.0	1.6
Conditional purchase price (Samgräv)	12.6	0.0	12.6	12.3	0.0	12.3
Delayed purchase price (Losshållningsbolaget)	2.7	0.0	2.7	0.0	0.0	0.0
Other Liabilities (Losshållningsbolaget)	2.4	0.0	2.4	0.0	0.0	0.0
Total unsecured borrowings	19.3	0.0	19.3	13.9	0.0	13.9
Total borrowings	610.6	0.0	610.6	599.4	0.0	599.4

The parent company has issued corporate bonds that are listed on Nasdaq Stockholm. This instrument is listed as Bellman Group AB 01 with 600.0 units (600.0), with a total outstanding nominal amount of SEK 600 m (600) and has a nominal value of SEK 1.0 m (1.0) per unit. Financing expenses of SEK 8.7 m (14.5) attributable to the bond loan are still remaining against the loan. The bond interest rate is variable interest three months STIBOR plus 6.50 percent, which is paid quarterly in arrears. The bond matures in June 2022. The parent company has provided shares in subsidiaries as collateral for the bond loan. The terms of the bond include an option that entitles the holder to the early repayment of the loan. This option is reported as a derivative and is classified as a financial asset that is measured at fair value through profit or loss. The terms of the corporate bond loan are available on Bellman Group AB's website.

The Group holds certain tangible assets through leases. Leases on office premises and vehicles expire in 36 to 60 months, and on leases land expire after more than five years (see notes K10 and K16). The carrying amount December 31, 2019, was SEK 107.9 m (73.0).

The vendor loan amounts to a total of SEK 1.6 m (18.6), of which SEK 0.0 m (17.0) is a current liability and SEK 1.6 m (1.6) is a non-current liability. The vendor loan accrues no interest and is unsecured. The terms of the loan stipulate that instalment payments should begin in 2018 and that the loan must be fully repaid by 2022.

At the time of purchase of Samgräv, a contingent purchase price was booked which as of 31 December 2020 amounted to SEK 12.6 m (12.3). 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.

At the time of purchase of Losshållningsbolaget i Sverige AB, a delayed purchase price was booked which as of December 31, 2020 amounted to SEK 4.2 m (0.0) (at fair value) of which SEK 1.5 m (0.0) is a short-term liability and SEK 2.7 m (0.0) is a long-term liability. The delayed purchase price will be paid out in December during the following three years (SEK 1.5 m/year). The purchase of Losshållningsbolaget also included a vehical rent contract which at year end 2020 amounted to SEK 3.1 m (0.0) of witch SEK 0.7 m (0.0) is a short-term liability and SEK 2.4 m (0.0) is a long-term liability.

Covenants

Under the terms and conditions of the bonds, certain covenants must be met each time the Group enters into a new business combination. All covenants were met in connection with all acquisitions.

NOTE K24 DEFERRED TAX

SEK m	2020	2019
Deferred tax assets		
The balance comprises temporary differences attributable to:		
Tax losses	1.8	1.1
Total deferred assets	1.8	1.1

SEK m	2020	2019
Deferred tax liabilities		
The balance comprises temporary differences attributable to:		
Intangible assets (trademark and order books)	0.1	0.4
Financial assets (derivative financial instruments)	1.1	0.6
Untaxed reserves	54.3	47.9
Other items	11.5	4.5
Total deferred tax liabilities	67.1	53.4
Set-off of deferred tax assets	-1.8	-1.1
Net deferred taxes	65.3	52.3

Changes to deferred tax assets and liabilities in the year, without considering offsets within the same tax jurisdiction, are shown below:

SEK m	Tax losses
Deferred tax assets	
At 1 January, 2019	0.3
Charged to the Income Statement	0.8
At 31 December, 2019	1.1
Charged to the Income Statement	0.7
As of 31 December, 2020	1.8

Deferred tax assets of SEK 1.8 million (1.1) mainly relate to tax losses in the parent company. The assessment is that the tax losses will be recovered using future taxable income in the Group. The tax losses can be carried forward indefinitely and have no expiry date.

SEK m	Intangible assets	Financial assets	Untaxed reserves	Other items	Total
Deferred tax liabilities					
As of 1 January, 2019	0,8	0,3	41,1	0,0	42,2
Charged to the Income Statement	-0,6	0,3	4,8	0,7	5,2
Increase through acquisitions	0,2	0,0	2,0	3,7	5,9
As of 31 December, 2019	0,4	0,6	47,9	4,4	53,4
Charged to the Income Statement	-0,4	0,5	1,0	0,1	1,2
Increase through acquisitions	0,2	0,0	5,3	7,1	12,5
As of 31 December, 2020	0,1	1,1	54,3	11,5	67,1

NOTE K25 OTHER CURRENT LIABILITIES

SEK m	2020	2019
Other current liabilities		
Employee withholding tax and social security contributions	7.6	6.7
VAT	3.6	4.4
Current part of vendor loan	0.0	17.0
Current part of delayed purchase price (Losshållningsbolaget)	1.5	0.0
Current part of vehical rent contract (Losshållningsbolaget)	0.7	0.0
Other current liabilities	0.1	0.1
Total other current liabilities	13.4	28.2

The carrying amounts of other current liabilities are considered to be the same as their fair values, since the impact of discounting is not significant.

NOTE K26 ACCRUED EXPENSES AND DEFERRED INCOME

SEK m	2020	2019
Accrued expenses and deferred income		
Accrued salaries	8.3	6.1
Accrued social security contributions	5.3	4.5
Accrued vacation pay	26.9	25.1
Haulage settlements	1.6	3.2
Accrued interest expenses	1.1	1.3
Deferred income (contract liability)	0.0	2.6
Other items	41.2	39.2
Total accrued expenses and deferred income	84.5	81.9

SEK 2.6 million (100%) of the contract liability (deferred income) as of 31 December 2019 has been reported as revenue in 2020.

NOTE K27 ASSETS PLEDGED AS SECURITY

SEK m	2020	2019
Assets pledged as security		
<i>Bonds:</i>		
Net assets in subsidiaries	995.7	849.4
<i>Other financial liabilities:</i>		
Floating charges	44.0	44.0
Total assets pledged as security	1,039.7	893.4

NOTE K28 RELATED PARTY TRANSACTIONS

Verdane Holding 26 AB owns 35.8 percent (35.8) of the parent company's shares and has significant influence over the Group. Shareholdings are according to the table below. Other related parties

are all subsidiaries of the Group, as well as senior executives in the Group, i.e. the Board of Directors and Group Management, and their related parties. All transactions are carried out on market terms.

Shareholding in Bellman Group AB	Number of shares	Ownership interest, %
Owners		
Verdane Holding 26 AB	746,598	35.8
Håkan Lind och Dick Örn genom Hasseludd Holding AB	207,229	9.9
Bromab Invest AB	188,736	9.0
Jonas Degerman Holding AB	188,736	9.0
Magnus Persson genom Skärså Consulting AB	188,736	9.0
Robin Karlsson genom Robin Mark & Anläggning AB	178,472	8.6
Norden Kapitalförvaltning AB	142,349	6.8
Michel Eriksson	96,418	4.6
J&P Scandinavia AB	75,494	3.6
Tore Hallersbo	41,188	2.0
Derigo Rådgivning AB	19,446	0.9
Roger Axelsson	13,589	0.7
Total ownership	2,086,991	100.0

In connection with the acquisition of Bellmans in July 2017, the Group received a vendor note from Hasseludd Holding AB, which amounts to a total of SEK 1.6 m (18.6), of which SEK 0.0 m (17.0) is a current liability and SEK 1.6 million (1.6) is a non-current liability.

The vendor note is interest-free and is unsecured. The terms of the loan stipulate that installment payments begin in 2018 and that the loan must be fully repaid by 2022.

NOTE K29 PARTICIPATION IN OTHER COMPANIES**Subsidiaries**

The Group's subsidiaries as of 31 December 2020 are listed below. Unless otherwise stated, they have share capital consisting solely

of ordinary shares held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group.

	Corporate identity no	Registered office	Ownership interest held by the Group, %	Principal activities
Direct ownership				
Bellmans Åkeri & Entreprenad AB	556402-9006	Nacka	100	Transport
Samgräv Holding AB	556850-6363	Kungälv	100	Transport
Uppländska Bergborrnings AB	556213-1556	Norrtälje	100	Rock blasting
VSM Entreprenad AB	556856-6011	Järfälla	100	Construction industry
SÅCAB Åkericentral AB	556527-8529	Skogås	100	Transport and Landfill
Losshållningsbolaget i Sverige AB	559069-4732	Norrtälje	100	Rock blasting
Bugärde Utveckling AB	559270-3796	Kungälv	100	Landfill
Indirect ownership				
Samgräv Maskinförmedling AB	556812-2252	Kungälv	100	Transport
Samgräv Recycling AB	556947-6160	Kungälv	100	Landfill
Samkross i Uddevalla AB	556989-1582	Kungälv	100	Crushing operations
Samkross i Härryda AB	559060-8765	Kungälv	100	Crushing operations
VSM Rental AB	556996-5568	Järfälla	100	Plant and machinery rental
VSM Norge A/S	998237246	Oslo	100	Construction industry
Munthers Special-transporter AB	556884-8963	Järfälla	61	Transport
DXT Entreprenad AB	559059-1045	Stockholm	33	Construction industry
Kraftverksbyggarna i Söderhamn AB	559076-6530	Söderhamn	45	Construction industry
Kraftverksbyggarna i Söderhamn HB	969766-0539	Söderhamn	50	Construction industry
SÅCAB Förvaltning AB	556195-1475	Skogås	100	Transport and Landfill
SÅCAB Miljö AB	556973-3529	Skogås	100	Transport and Landfill
SÅCAB Produktion AB	556723-4298	Skogås	20	Transport

NOTE K30 ADJUSTMENT FOR NON-CASH ITEMS

SEK m	2020	2019
Adjustments for non-cash items		
Depreciation and amortization	96.0	82.5
Profit/loss in associated companies	-2.8	-3.7
Goodwill adjustments	1.5	-3.7
Other items	-1.8	-3.5
Total adjustments for non-cash items	92.9	71.6

NOTE K31 NET DEBT RECONCILIATION

SEK m	Bonds	Liabilities to credit institutions	Lease liabilities to credit institutions	Vendor note	Total
Changes in liabilities related to financing activities					
Financial year ended 31 December, 2019					
Opening balance	484.1	0.0	5.1	37.8	527.0
Acquired value	0.0	15.8	61.8	0.0	77.6
Cash inflow	95.7	0.0	0.0	0.0	95.7
Cash outflow	0.0	-15.8	-16.5	-19.5	-51.8
<i>Non-cash items:</i>					
Accrued interest	5.7	0.0	0.0	0.3	6.0
Financial leasing additional contracts	0.0	0.0	22.6	0.0	22.6
As of 31 December, 2019	585.5	0.0	73.0	18.6	677.1

SEK m	Bonds	Liabilities to credit institutions	Lease liabilities to credit institutions	Vendor note	Total
Changes in liabilities related to financing activities					
Financial year ended 31 December, 2020					
Opening balance	585.5	0.0	73.0	18.6	677.1
Acquired value	0.0	20.7	65.5	0.0	86.2
Cash inflow	0.0	0.0	0.0	0.0	0.0
Cash outflow	0.0	-17.6	-30.6	-17.0	-65.2
<i>Non-cash items:</i>					
Accrued interest	5.8	0.0	0.0	0.0	5.8
Financial leasing additional contracts	0.0	0.0	0.0	0.0	0.0
As of 31 December, 2020	591.3	3.1	107.9	1.6	703.9

NOT K32 EVENTS AFTER THE END OF THE PERIOD**OWNERSHIP**

In January 2021, the ownership structure of Bellman Group changed through certain restructuring measures and acquisitions. At the end of the fourth quarter of 2020, Bellman Group AB had a total of 12 shareholders, of which the largest shareholder was Verdane Holding 26 AB with 35.8 percent of the shares. As of January 15 2021, Verdane Holding 26 AB owns 100.0 percent of the shares in Bellman Group AB. Verdane Holding 26 AB is in turn 100.0 per cent owned

by Verdane Alexander Holding AB, which in turn is 100.0 per cent owned by Haimos HoldCo AB. The ownership of Haimos HoldCo AB is then distributed between Verdane (through the company BJP HoldCo AB), which at the end of January 2021 controls 72.3 per cent of the shares, while management and parts of the Board control the remaining 27.3 percent through said holding company.

Shareholding in Bellman Group AB	Number of shares 31 Dec 2020	Ownership (%)	Number of shares 31 Jan 2021	Ownership (%)
Owners				
Verdane Holding 26 AB	746,598	35.8	2,086,991	100.0
Håkan Lind och Dick Örn genom Hasseludd Holding AB	207,229	9.9	-	-
Bromab i Älvsbyn AB	188,736	9.0	-	-
Jonas Degerman Holding AB	188,736	9.0	-	-
Magnus Persson genom Skårså Consulting AB	188,736	9.0	-	-
Robin Karlsson genom Robin Mark & Anläggning AB	178,472	8.6	-	-
Norden Kapitalförvaltning AB	142,349	6.8	-	-
Michel Eriksson	96,418	4.6	-	-
J&P Scandinavia AB	75,494	3.6	-	-
Tore Hallersbo	41,188	2.0	-	-
Derigo Rådgivning AB	19,446	0.9	-	-
Roger Axelsson	13,589	0.7	-	-
Total Ownership	2,086,991	100.0	2,086,991	100.0

Sharholding i Haimos HoldCo AB	Number of shares 31 Jan 2021	Ownership (%)
Owners		
BJP HoldCo AB	1,041,744	72.3
Hasseludd Holding AB	73,557	5.1
Robin Mark & Anläggning AB	29,881	2.1
Arnö Rådgivning AB	5,460	0.4
Derigo Rådgivning AB	9,767	0.7
Bromab Invest AB	63,200	4.4
Skärsåd Consulting AB	63,200	4.4
Jonas Degerman Holding AB	63,200	4.4
Norden Kapitalförvaltning AB	47,667	3.3
Ivarssons Entreprenad i Lilla Edet AB	43,515	3.0
Total Ownership	1,441,191	100.0

REFINANCING

As of March 10, 2021, the Parent Company is expected to list corporate bonds on Nasdaq Stockholm. In connection with this, Bellman Group has called for the complete early redemption of the company's existing outstanding bonds 2017/2022. The new instrument will be listed with 900 units, with a total outstanding nominal amount of SEK 900.0 m (600.0) and will have a nominal value of SEK 1.0 m per unit. The bond yield is variable, three months STIBOR plus 5.00%, which is paid quarterly in arrears. The bond matures on February 10,

2026. As part of the refinancing the company will also raise a senior secured bank financing amounting to up to SEK 250 m. The terms of the bond will, as before, include an option that entitles to early redemption of the loan. This option will, as before, be recognized as derivative but has not yet been revalued (SEK 5.2 m as of December 31, 2020) and is classified as a financial asset that is measured at fair value through profit or loss.

ACQUISITION ANALYSIS (PRELIMINARY) IVARSSONS

On 18 January 2021, the Group acquired all shares in Ivarssons Entreprenad i Göteborg AB (Ivarssons). The total purchase price was SEK 98.5 m, and the acquisition was financed through a cash payment of own cash of SEK 67.2 m and a new issue of shares corresponding to SEK 31.3 m (shares in the new holding company Haimos HoldCo AB). The fair value of the 43,515 shares issued as

part of the purchase price for Ivarssons was based on an estimated market value of SEK 718.6 per share. The fair value of own shares has been determined using a generally accepted valuation method. The valuation method means that the company value is calculated through an EBITDA multiple corresponding to comparable companies in the same industry.

Information regarding purchase price, net assets acquired and goodwill is shown below:

SEK m	2021
Purchase consideration	
Cash paid	67.2
Ordinary shares issued	0.0
Ordinary shares issued	31.3
Total purchase consideration	98.5

The assets and liabilities recognized as a result of the acquisition were as follows:

SEK m	2021
Fair value net assets	
Cash and bank	10.8
Trade receivables	0.0
Plant and equipment	43.7
Inventories	0.9
Trade payables	0.0
Deferred tax liabilities	0.0
Other current liabilities	-2.3
Assets Ivarssons	53.1
Intangible assets	45.4
Net assets acquired	98.5

Note K32, Events after the end of the period, cont.

Net assets acquired

Reported identifiable assets in Ivarssons at the time of acquisition were SEK 53.1 m and for intangible assets SEK 45.4 m has been identified. Of these, SEK 45.1 m has been classified as goodwill and SEK 0.4 m as an intangible asset (brand). Goodwill is mainly attributable to synergies and the good profitability of the acquired business. No part of reported goodwill is expected to be tax deductible.

Acquired trade receivables

Fair value of acquired accounts receivable amounted to SEK 0.0 m. The contractual gross amount for accounts receivable amounted to SEK 0.0 m.

SEK m	2021
Cash Flow effect	
Paid to vendor (Ivarssons)	-67.2
Cash acquired business (Ivarssons)	10.8
Net effect on cashflow at acquisition	-56.5

DISPUTES

On 9 March 2018, Märsta Förenade Åkeriföretag AB (Märsta) and VSM Entreprenad AB (VSM) entered into an agreement regarding loading in parts of the Förbifart Stockholm project.

On 13 August 2019, Märsta terminated this agreement prematurely, after which VSM made claims against Märsta amounting to SEK 21.1 million, which largely constituted damages for the positive interest in the contract.

Märsta in turn presented claims against VSM of SEK 8.6 million, which Märsta considered to constitute a penalty for overload. On June 10, 2020, VSM called for arbitration. On 24 March 2021, the parties reached a settlement, which meant that Märsta pays VSM damages of SEK 6.5 million and that the arbitration will be closed.

Parent Company accounts

PARENT COMPANY INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

SEK m	Note	2020	2019
Net sales	M2	20.0	16.4
Total revenue		20.0	16.4
Operating expenses			
Other external expenses	M3	-13.9	-15.9
Employee expenses	M4	-15.0	-13.1
Total depreciation, amortization		-0.8	-0.2
Total operating expenses		-29.7	-29.2
Operating profit (EBIT)		-9.7	-12.8
Financial income	M5	9.0	9.3
Financial expenses	M6	-40.2	-39.1
Other financial items	M6	-6.1	-6.0
Net financial items		-37.3	-35.8
Profit after net financial items		-47.0	-48.7
Appropriations		67.0	51.4
Income tax	M7	-11.5	-0.6
Net profit for the year and total comprehensive income		8.6	2.1

PARENT COMPANY BALANCE SHEET

SEK m	Note	31 December 2020	31 December 2019
Assets			
Non-current assets			
<i>Intangible assets</i>			
Software	M8	1.6	2.0
Total intangible assets		1.6	2.0
<i>Tangible assets</i>			
Equipment, tools, fixtures and fittings	M9	1.7	0.9
Total tangible assets		1.7	0.9
<i>Non-current financial assets</i>			
Investment in associates	M10	937.3	814.8
Other non-current financial assets	M11	351.0	243.5
Total non-current financial assets	M17	1,288.3	1,058.3
Total non-current assets		1,291.7	1,061.3
Current assets			
<i>Current receivables</i>			
Trade receivables		2.2	4.4
Current tax assets		5.3	0.2
Prepaid expenses and accrued income		4.8	2.0
Other current receivables		0.4	0.9
Total current receivables		12.7	7.5
Cash and cash equivalents	M12	107.1	144.4
Total current assets		119.8	151.9
TOTAL ASSETS		1,411.4	1,213.1

PARENT COMPANY BALANCE SHEET

SEK m	Note	31 December 2020	1 December 2019
Equity and liabilities			
Equity			
Restricted equity			
Share capital	M13, M18	2.1	2.1
Total restricted equity		2.1	2.1
Non-restricted equity			
Share premium reserve		260.0	260.0
Accumulated profit or loss		74.0	72.0
Net profit for the year		8.6	2.1
Total non-restricted equity		342.6	334.0
Total equity		344.6	336.0
Provisions			
Provisions		11.0	0.0
Total provisions		11.0	0.0
Non-current liabilities			
Bond loans	M14	591.3	585.5
Liabilities to Group companies		420.4	249.1
Other non-current liabilities		16.9	13.9
Total non-current liabilities		1,028.6	848.5
Current liabilities			
Trade payables	M14	3.7	3.5
Liabilities to Group companies		0.0	0.0
Current tax liabilities		11.8	1.1
Other current liabilities	M14, M15	2.4	17.4
Accrued expenses and deferred income	M16	9.4	6.6
Total current liabilities		27.2	28.6
TOTAL EQUITY AND LIABILITIES		1,411.4	1,213.1

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK m	Attributable to shareholders of Bellman Group AB - restricted equity			Total equity
	Share capital	Share premium	Retained earnings	
Opening balance, 1 January 2019	1.9	216.1	72.0	290.0
Net profit/loss for the period	0.0	0.0	2.1	2.1
Total comprehensive income	0.0	0.0	2.1	2.1
Issue of new shares ¹	0.2	43.9	0.0	44.0
Closing balance, 31 December 2019	2.1	260.0	74.1	336.0
Opening balance, 1 January 2020	2.1	260.0	74.1	336.0
Net profit/loss for the period	0.0	0.0	8.6	8.6
Total comprehensive income	0.0	0.0	8.6	8.6
Closing balance, 31 December 2019	2.1	260.0	82.6	344.6

¹ Share capital of SEK 142,349 was registered on February 21, 2019. In total, equity increased by SEK 44 million, which constitutes a new share issue.

See note M13 Equity for more details.

PARENT COMPANY STATEMENT OF CASH FLOWS

SEK m	2020	2019
Cash flow from operating activities		
Operating profit	-9.7	-12.8
Adjustment for non-cash items:		
Depreciation and amortization	0.8	0.2
Other & non-cash items	-1.1	-5.1
Interest received	9.0	9.3
Interest paid	-40.2	-39.1
Income taxes paid / received	-5.6	-0.2
Cash flow from operating activities before changes in working capital	-46.8	-47.7
Change in current receivables	2.2	-3.9
Change in current liabilities	-0.2	-0.6
Total change in working capital	2.0	-4.5
Cash flow from operating activities	-44.8	-52.3
Cash flow from investing activities		
Acquisition of subsidiaries, net of acquired cash and cash equivalents	-116.2	-94.2
Investments in tangible & intangible assets	-1.4	-2.9
Sale of tangible assets	0.3	-
Loans to Group companies	141.9	138.4
Cash flow from investing activities	24.5	41.3
Cash flow from financing activities		
Loans raised	0.0	100.0
Payment of financing costs	0.0	-4.3
Repayment of loans	-17.0	-19.5
Cash flow from financing activities	-17.0	76.2
Cash flow for the period	-37.3	65.2
Cash and cash equivalents at beginning of period	144.4	79.2
Cash and cash equivalents at end of period	107.1	144.4

Notes to the parent company

NOTE M1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The parent company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. RFR 2 prescribes that the parent company in the Annual Report of a legal entity shall apply all international Financial Reporting Standards and interpretations approved by the EU as far as this is possible within the framework of the Swedish Annual Accounts Act, taking into account the connection between reporting and taxation.

Preparing annual reports in accordance with RFR 2 requires the use of important accounting estimates. Furthermore, the management must make certain assessments when applying the parent company's accounting policies. The areas that include a high degree of assessment, which are complex or where assumptions and estimates are of significant importance for the annual report, are stated in note K3 to the consolidated financial statements Significant estimates and judgements.

The parent company applies the same accounting policies as the Group, except in the cases specified in the section below:

Financial statements presentation

The parent company presents the Income Statement and the Balance Sheet in compliance with the Swedish Annual Accounts Act. This also means differences in terms, compared to the consolidated accounts, primarily regarding financial income and expenses and equity.

Subsidiaries

Participations in Group companies are recognized at cost less any impairment losses. The acquisition cost includes acquisition related cost and any contingent considerations.

When there is an indication that participations in Group companies are impaired, a calculation is made of the recoverable amount. If this is lower than the carrying amount, an impairment is made. Impairment losses are reported in the item profit/loss from participations in Group companies.

Financial instruments

Accounting principles applied from 1 January 2019

IFRS 9 is not applied in the Parent Company. Instead, the parent company applies the rules specified in RFR 2.

Financial instruments are measured at cost. In subsequent periods, financial assets that have been acquired with the intention of being held short-term will be reported at the lowest of cost and market value. Derivative instruments with a negative fair value are reported at this value.

When calculating the net realizable value of receivables reported as current assets, the principles for impairment testing and credit loss allowance are applied in IFRS 9.

Appropriations

Group contributions are reported as appropriations.

NOTE M2 PURCHASES AND SALES BETWEEN GROUP COMPANIES

100 percent of the parent company's sales are to Group companies. 0 percent of the parent company's purchases are from Group companies.

NOTE M3 AUDIT FEES

SEK m	2020	2019
<i>PwC:</i>		
Audit engagement	0.6	0.9
Tax advice	0.4	-
Other services	0.7	1.0
Total audit fees	1.7	1.9

Other services include general advice on accounting rules, valuation methods and formal requirements as well as proof-reading.

NOTE M4 EMPLOYEE BENEFITS**Employee benefits**

SEK m	2020	2019
Salaries and other benefits	9.6	8.1
Social security contributions	2.9	3.2
Pension cost - defined contribution plans	2.0	1.4
Total employee benefits	14.5	12.6

Division of employee benefits

SEK m	2020		2019	
	Salaries and other benefits	Social security (where of pension cost)	Salaries and other benefits	Social security (where of pension cost)
Board members, CEOs and other senior executives	6.7	3.4 (1.2)	6.1	2.8 (1.0)
Other employees	2.9	1.5 (0.5)	2.0	1.7 (0.4)
Total	9.6	4.9 (1.7)	8.1	4.5 (1.4)

Number of employees	2020		2019	
	Number of employees	of which men	Number of employees	of which men
Sweden	6	3	5	3
Total	6	3	5	3

Gender division in Board and Management

SEK m	2020		2019	
	Average number	Of which are men	Average number	Of which are men
Board members	5	2	5	3
CEO and other senior executives	2	2	2	2
Total	7	4	7	5

NOTE M5 FINANCIAL INCOME

SEK m	2020	2019
Interest income		
Interest income from Group companies	9.0	9.3
Total interest income	9.0	9.3

NOTE M6 FINANCIAL EXPENSES

SEK m	2020	2019
Interest expense and similar profit/loss items		
Interest expense for bonds	40.2	39.1
Accrued financing costs	6.1	6.0
Total financial expenses	46.3	45.1

NOTE M7 INCOME TAX EXPENSE

SEK m	2020	2019
<i>Current tax expense:</i>		
Current tax on profits for the year	11.5	0.6
<i>Deferred income tax:</i>		
Deferred tax	0.0	0.0
Total income tax	11.5	0.6

The higher tax rate 2020 is due to a reversal of a deferred tax asset (SEK 6.8 m), which arose during 2019/2020, due to the parent company not being able to make full use of its interest deductions under the EBITDA interest deduction limit rule (added 2019). The change in the ownership structure has been assessed as a material event, which has resulted in a write-down of the recognized deferred tax asset.

NOTE M8 INTANGIBLE ASSETS

SEK m	Software	Total
Year ended 31 December, 2019		
Opening net book value	0.0	0.0
Capitalized software	2.2	2.2
Amortizations	-0.1	-0.1
Closing net book value	2.0	2.0
As of 1 January, 2020		
Opening net book value	2.0	2.0
Capitalized software	0.0	0.0
Amortizations	-0.5	-0.5
Closing net book value	1.6	1.6
Year ended 31 December, 2020		
Acquisition costs	2.2	2.2
Accumulated amortization	-0.6	-0.6
Net book value	1.6	1.6

NOTE M9 TANGIBLE ASSETS

SEK m	Plant and machinery	Total
As of 1 January, 2019		
Acquisition costs	0.5	0.5
Accumulated depreciation	-0.1	-0.1
Net book value	0.4	0.4
Year ended 31 December, 2019		
Opening net book value	0.4	0.4
Additions	0.7	0.7
Depreciation	-0.1	-0.1
Closing net book value	0.9	0.9
As of 1 January, 2020		
Opening net book value	0.9	0.9
Additions	1.4	1.4
Retirements and disposals	-0.4	-0.4
Depreciation	-0.3	-0.3
Closing net book value	1.7	1.7
Year ended 31 December, 2020		
Acquisition costs	2.1	2.1
Accumulated depreciation	-0.3	-0.3
Net book value	1.7	1.7

NOTE M10 PARTICIPATION IN GROUP COMPANIES

The parent company's participations in Group companies as of 31 December 2019 are listed below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held

directly by the Group, and the proportion of ownership interest held equals the voting rights held by the Group. All subsidiaries are consolidated in the Group.

SEK m	Corporate identity no	Ownership 31 Dec, 2020, %	No of shares	Principal activities	Registered office	Book value 31 Dec, 2020	
Direct ownership							
	Bellmans Åkeri & Entreprenad AB	556402-9006	100	10,000	Transport	Nacka	216.7
	Samgräv Holding AB	556850-6363	100	500	Transport	Kungälv	157.1
	Uppländska Bergborrnings AB	556213-1556	100	5,000	Rock blasting	Norrtälje	98.4
	VSM Entreprenad AB	556856-6011	100	3,400	Construction industry	Järfälla	342.6
	SÅCAB Åkericentral AB	556527-8529	100	100	Transport and Landfill	Skogås	79.4
	Losshållningsbolaget i Sverige AB	559069-4732	100	1,500	Rock blasting	Norrtälje	19.7
	Bugärde Utveckling AB	559270-3796	100	250	Landfill	Kungälv	23.5
Total						937.3	

SEK m	Corporate identity no	Ownership interest held by the group, %	No of shares	Principal activities	Registered office	
Indirect ownership						
	Samgräv Maskinförmedling AB	556812-2252	100	2,000	Transport	Kungälv
	Samgräv Recycling AB	556947-6160	100	500	Landfill	Kungälv
	Samkross i Uddevalla AB	556989-1582	100	500	Crushing operations	Kungälv
	Samkross i Härryda AB	559060-8765	100	500	Crushing operations	Kungälv
	VSM Rental AB	556996-5568	100	50,000	Plant and machinery rental	Järfälla
	VSM Norge A/S	998237246	100	100	Construction industry	Oslo
	Munthers Special-transporter AB	556884-8963	61	30,500	Transport	Järfälla
	DXT Entreprenad AB	559059-1045	33	248	Construction industry	Stockholm
	Kraftverksbyggarna i Söderhamn AB	559076-6530	45	225	Construction industry	Söderhamn
	Kraftverksbyggarna i Söderhamn HB	969766-0539	50	1	Construction industry	Söderhamn
	SÅCAB Förvaltning AB	556195-1475	100	9,880	Transport and Landfill	Skogås
	SÅCAB Miljö AB	556973-3529	100	500	Transport and Landfill	Skogås
	SÅCAB Produktion AB	556723-4298	20	110	Transport	Skogås

NOTE M11 RECEIVABLES FROM GROUP COMPANIES

SEK m	2020	2019
Receivables from group companies		
Opening book value	243.5	171.8
Receivables from group companies	107.5	71.7
Closing net book value	351.0	243.5

NOTE M12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes, in both the Balance Sheet and the Cash Flow Statement, cash at hand and deposits held on call with financial institutions. As of 31 December 2020, the Group had an unutilized credit facility in the form of overdraft facilities amounting to SEK 44 million (44.0). The overdraft facility can be used when needed and can be terminated by the bank without notice.

NOTE M13 EQUITY

For information on the parent company's equity, refer to note K22 to the consolidated financial statements, Equity.

NOTE M14 BORROWINGS

SEK m	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Secured						
Bonds	0.0	591.3	591.3	0.0	585.5	585.5
Total secured borrowings	0.0	591.3	591.3	0.0	585.5	585.5
Unsecured						
Trade payables	3.7	0.0	3.7	3.5	0.0	3.5
Vendor loan (Bellmans)	0.0	1.6	1.6	17.0	1.6	18.6
Conditional purchase price (Samgräv)	0.0	12.6	12.6	0.0	12.3	12.3
Delayed purchase price (Losshållningsbolaget)	1.5	2.7	4.2	0.0	0.0	0.0
Total unsecured borrowings	5.2	16.9	22.0	20.5	13.9	34.4
Total borrowings	5.2	608.2	613.3	20.5	599.4	619.9

Contractual maturities of non-current liabilities:

SEK m	2020			2019		
	1-5 years	Over 5 years	Total	1-5 years	Over 5 years	Total
Secured						
Bonds	600.0	0.0	600.0	600.0	0.0	600.0
Financing costs	-8.7	0.0	-8.7	-14.5	0.0	-14.5
Total secured borrowings	591.3	0.0	591.3	585.5	0.0	585.5
Unsecured						
Vendor loan (Bellmans)	1.6	0.0	1.6	1.6	0.0	1.6
Conditional purchase price (Samgräv)	12.6	0.0	12.6	12.3	0.0	12.3
Delayed purchase price (Losshållningsbolaget)	2.7	0.0	2.7	0.0	0.0	0.0
Total unsecured borrowings	16.9	0.0	16.9	13.9	0.0	13.9
Total borrowings	608.2	0.0	608.2	599.4	0.0	599.4

The parent company has issued corporate bonds that are listed on Nasdaq Stockholm. This instrument is listed as BELLMAN GROUP AB 01 with 600.0 units (600.0), with a total outstanding nominal amount of SEK 600 m (600) and has a nominal value of SEK 1.0 m (1.0) per unit. Financing expenses of SEK 8.7 m (14.5) attributable to the bond loan are still remaining against the loan. The bond interest rate is variable interest three months STIBOR plus 6.50 percent, which is paid quarterly in arrears. The bond matures in June 2022. The parent company has provided shares in subsidiaries as collateral for the bond loan. The terms of the bond include an option that entitles the holder to the early repayment of the loan. This option

is reported as a derivative and is classified as a financial asset that is measured at fair value through profit or loss. The terms of the corporate bond loan are available on Bellman Group AB's website.

The vendor loan amounts to a total of SEK 1.6 m (18.6), of which SEK 0.0 m (17.0) is a current liability and SEK 1.6 m (1.6) is a non-current liability. The vendor loan accrues no interest and is unsecured. The terms of the loan stipulate that instalment payments should begin in 2018 and that the loan must be fully repaid by 2022.

At the time of purchase of Samgräv, a contingent purchase price was booked which as of 31 December 2020 amounted to

Note M14, Borrowings, cont.

SEK 12.6 m (12.3). 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. At the time of purchase of Losshållningsbolaget i Sverige AB, a delayed purchase price was booked which as of December 31, 2020 amounted to SEK 4.2 m (0.0) (at fair value) of which SEK 1.5 m (0.0)

is a short-term liability and SEK 2.7 m (0.0) is a long-term liability. The delayed purchase price will be paid out in December during the following three years (SEK 1.5 m/year).

Covenants

Under the terms and conditions of the bonds, certain covenants must be met each time the Group enters into a new business combination. All covenants were met in connection with all acquisitions.

NOTE M15 OTHER CURRENT LIABILITIES

SEK m	2020	2019
Other current liabilities		
Employee withholding tax and social security contributions	0.5	0.4
VAT	0.4	-
Current part of vendor loan	-	17.0
Other current liabilities	1.5	-
Total other current liabilities	2.4	17.4

The fair value of other current liabilities corresponds to carrying amount, because they are short term by nature.

NOTE M16 ACCRUED EXPENSES AND DEFERRED INCOME

SEK m	2020	2019
Accrued expenses and deferred income		
Accrued vacation pay	1.2	0.7
Accrued interest expenses	1.1	1.3
Other items	7.1	4.6
Total accrued expenses and deferred income	9.4	6.6

NOTE M17 ASSETS PLEDGED AS SECURITY

SEK m	2020	2019
Assets pledged as security		
<i>Bonds:</i>		
Net assets in subsidiaries	937.3	814.8
Receivables Group companies	351.0	243.5
Total assets pledged as security	1,288.3	1,058.3

NOTE M18 PROPOSED APPROPRIATION OF PROFITS

SEK

The following profits are at the disposal of the Annual General Meeting:

Amounts in SEK	
Share premium	259,962,442
Retained earnings	73,974,268
Net profit/loss for the year	8,615,555
Total	342,552,265

The Board of Directors is proposing that these funds are appropriated as follows:

To be carried forward	342,552,265
Total	342,552,265

Board of Directors' certification

The Group's and Parent Company's income statements and balance sheets will be submitted to the Annual General Meeting for adoption on May 21, 2021.

The Board of Directors and the Chief Executive Officer hereby certify that the consolidated financial statements have been prepared in accordance with IFRS (International Financial Reporting Standards) as adopted by the EU and give a true and fair view of the Group's financial position and results of operations. The Parent Company's financial statements

have been prepared in accordance with generally accepted accounting principles and give a true and fair view of the Parent Company's financial position and results of operations. The Board of Directors' Report for the Group and the Parent Company gives a true and fair view of the progress of the Group's and the Parent Company's operations, financial position and results of operations, and reviews material risks and uncertainties affecting the Parent Company and Group companies.

Stockholm, Sweden, April 26, 2021

Björn Andersson

Chairman of the Board

Per Nordlander

Director

Ingalill Östman

Director

Charlotte Hybinette

Director

Håkan Lind

Director

Anne-Lie Lind

Director

Our Audit Report was presented on April 26, 2021

PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant

Auditors Report *Unofficial translation*

To the general meeting of the shareholders of Bellman Group AB (publ), corporate identity number 559108-3729

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Bellman Group AB (publ) for the year 2020. The annual accounts and consolidated accounts of the company are included on pages 44-89 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of parent company and the group as of 31 December 2020 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2020 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Audit approach and scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management

made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

The Bellman Group comprise five business segments and for four of those all Swedish entities are audited by the central Group audit team, the fifth is audited by a local PwC team. There is only one company outside of Sweden in the group and that is not deemed material for the group audit.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

KEY AUDIT MATTER**Goodwill impairment test**

We refer to note K2 (Accounting principles) and note K15.

The group's balance sheet includes goodwill totaling MSEK 464, corresponding to 32 % of total assets.

Goodwill is not amortized but is subject to an annual impairment test. The valuation of goodwill is based on company management's subjective assessments regarding future cash flows and on assumptions regarding the yield requirement, etc. which implies that the valuation is in its nature characterized by uncertainty. Bellman Group goodwill was generated through acquisitions made 2017-2020 and as such, there is limited information about historical outcome as compared to prognosis' prepared.

The company's impairment testing has not resulted in a write-down.

HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTERS

In our audit we have examined company management's forecast for future cash flows and assumptions and estimations which they are based on. We studied and assessed the reasonability of assumptions of yearly sales growth, volumes of sales and the yield requirement applied in discounting the cash flows (WACC) presented to us by the company management.

As part of our audit of management assumptions and estimations we compare corresponding figures in assessments made year-end 2019 against actual outcome 2020 in order to assess management's ability to produce realistic assumptions.

We have also studied the budgets and forecasts for future cash flows and verified that these agree with company management's documented budget and long-term strategic plans and intentions.

No significant observations were made from these audit procedures nor reported to the Audit committee.

Revenue recognition and cut-off for construction contracts

The Group accounting principles for revenue is shown in note K2.5.

A major part of revenue for companies VSM Entreprenad AB and Uppländska Bergborrnings AB are based on customer agreements for construction projects invoiced for by units delivered.

The compensation is based on number of units delivered, but since the measurement of delivered units is usually not performed until the project is completed, the accounting for accrued income comprises a certain degree of assumptions and estimations. Discussions about the right compensation for work completed are further common within the construction business and can result in subsequent reductions of invoiced sales.

We have performed analytics of recorded revenue and margins on total and project level and studied management's routines for monitoring project financial outcomes. We discussed company principles, methods and assumptions which forms the basis for estimations of accrued revenue and tested them on a sample basis against supporting documents and calculations.

We analysed accounts receivables by maturity date for the purpose of detecting possible receivables where there might be ongoing discussions or disputes with the customer. We also confirmed this year's sales and accounts receivable balance as at December 31, 2020 for a selection of the customers.

For disputes we also obtained lawyers statements from group's external legal advisors.

Our general conclusion is that assumptions and estimations made by the subsidiaries are within an acceptable range.

Significant acquisitions

As stated in the directors' report and note K14, the group completed the acquisition of Sâcab during the first quarter 2020 and the purchase price was MSEK 77. A smaller acquisition was also completed in the fourth quarter.

Following the acquisition, the company prepared a purchase price analysis, where the fair value of all assets and liabilities acquired are assessed. The remaining difference between the purchase price and fair values of acquired assets and liabilities is allocated to goodwill. The identification of assets and liabilities that have been transferred through the acquisition and which can be accounted for according to accounting policies adopted have required management estimations and assumptions and which we have discussed with management.

We have examined management's analysis of the transactions as well as other relevant documents such as the purchase contract and we have verified the purchase price payment.

We examined the purchase price allocation to assets identified and liabilities transferred prepared by management and challenged their estimates. Finally, we checked the completeness and accuracy of the disclosures in the Annual report.

No significant observations were made from these audit procedures, which we reported to the Audit committee.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-33, 35-41 and 94-95. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures respon-

sive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Director's and the Managing Director.
- Conclude on the appropriateness of the Board of Director's and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Bellman Group AB (publ) for the year 2020 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the group's type of operations, size and risks place on the size of the parent company's and the group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

PricewaterhouseCoopers AB, 113 97 Stockholm, was appointed auditor of Bellman Group AB (publ) by the general meeting of the shareholders on the 19 May 2020 and has been the company's auditor since the 31 May 2017.

Stockholm 26 April 2021

PricewaterhouseCoopers AB

Nicklas Kullberg

Authorized Public Accountant

Definitions

Descriptions of key ratios and non - IFRS performance measures follow. A reconciliation of alternative performance measures (APMs) is shown in a separate document, which is published together with the Interim Reports, at, www.bellmangroup.se.

The APMs that have not been calculated according to IFRS and are presented in this Report do not constitute recognized valuation principles for financial position or liquidity according to IFRS, but are used by Bellman Group to monitor the financial performance of the Group's operations and the Group's financial position. The APMs presented in this Report should always be viewed together with the information presented in the Income Statement, Balance Sheet, Cash Flow Statement and key

ratios, which have been prepared in accordance with IFRS.

Bellman Group reports these APMs since they consider them to be important complementary measures of profitability and financial position, and that these measures are often used by external stakeholders to assess and compare the company's financial performance and financial position. When comparing the APMs presented here, the calculation for other companies may have been conducted with different definitions, which means that outcomes are not directly comparable.

In this Report, comparable figures are provided in parentheses and refer to the same item in the previous year, unless otherwise stated.

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 gives a clearer picture of 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 operating activities, 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 the past 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 consideration 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.

Calendar

- 2021-05-21 Annual General Meeting
- 2021-05-20 Interim Report January–March, 2021
- 2021-08-20 Interim Report January–June, 2021
- 2021-11-20 Interim Report January–September, 2021
- 2022-02-18 Year-end Report 2021



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 VSM, which carries out excavation work using large machinery. Bellmans, a company active in haulage and machine renting, Uppländska, which conducts rock blasting operations, Samgräv, which is active in haulage, mass handling and operates its own landfills in the Gothenburg region, SÅCAB, a haulage and machine brokerage company with a landfill in southern Stockholm, and effective 18 January 2021, Ivarssons, which does all types of groundwork and civil engineering in the Gothenburg region.

In 2020, the net sales of the Group were SEK 1.7 billion. Bellman Group, with head offices in Solna, has approximately 425 employees and approximately 1,000 subcontractors. The parent company's corporate bonds are listed on Nasdaq Stockholm. Bellman Group is in high growth and has an express acquisition strategy

www.bellmangroup.se



**BELLMAN
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