



Year-end report, 1 January to 31 December, 2018

21 February, 2019

# Record year for B3

**17 per cent revenue increase and 28 per cent profit increase, despite a weak fourth quarter**

## Fourth quarter, October – December 2018

- Sales amount to SEK 203.5 (188.2) million, giving growth of 8.1 (26.7) per cent
- Operating profit (EBIT) is SEK 14.2 (19.3) million, giving an operating margin of 7.0 (10.3) per cent
- Profit after tax is SEK 8.3 (15.5) million.
- Earnings per share before and after dilution amount to SEK 1.00 (1.90)

## Full year January – December 2018

- Sales amount to SEK 726.3 (619.7) million, giving growth of 17.2 (26.9) per cent
- Operating profit (EBIT) is SEK 47.1 (36.8) million, giving an operating margin of 6.5 (5.9) per cent
- Profit after tax is SEK 28.3 (26.1) million.
- Earnings per share before and after dilution amount to SEK 3.15 (3.29)
- Higher proposed dividend of SEK 2.25 (2.17) per share

*This quarterly report will also be available in English. Please click on the English language icon on our website [www.b3.se](http://www.b3.se)*

	Fourth quarter, Oct-Dec			Full year, Jan-Dec		
	2018	2017	Change	2018	2017	Change
Net sales, SEK million	203.5	188.2	8.1%	726.3	619.7	17.2%
EBITDA, SEK million	15.5	21.2	-26,9%	54.1	43.5	24.4%
EBITDA-margin	7.6%	11.3%		7.4%	7.0%	
Operating profit (EBIT), SEK million	14.2	19.3	-26,4%	47.1	36.8	28.0%
Operating margin (EBIT)	7.0%	10.3%		6.5%	5.9%	
Profit after tax, SEK million	8.3	15.5	-46,5%	28.3	26.1	8.4%
Earnings per share, SEK	1.00	1.90	-47,4%	3.15	3.29	-4,3%
Number of co-workers, closing balance	609	493	116	609	493	116
Average number of co-workers	586	493	93	547	448	99

The table shows an extract from B3's key figures. See Note 2 for a table and definitions of key figures.

### For further information please contact:

Sven Uthorn, CEO, +46 70 899 36 70

Harriet Piscator, CFO, +46 70 317 47 99

Annette Björklund, Investor Relations, 072-700 70 82, [annette.bjorklund@b3.se](mailto:annette.bjorklund@b3.se)

*This information is information that B3 Consulting Group AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was released for public disclosure, through the agency of the contact persons above, on 21 February 2019 at 08.00 CET.*



Co-founder and Chief Executive Officer Sven Uthorn:

## Record year for B3

– despite a weak fourth quarter

2018 was the best year yet in B3's history, with record sales, profit and number of co-workers. This concludes our 15th consecutive year of growth since the company started, and the 61st consecutive quarter with positive profitability.

We close the year with a 28 per cent improved EBIT level performance, a new record of SEK 47.1 million, while revenues have grown by 17 per cent to SEK 726 million, also a record.

However, the end of the year was worse, despite continued good general demand in the client market. The long-drawn-out budget process in the public sector after the autumn election meant that many important client projects had to be put on hold. The banking and finance sector also continued to show restraint during the autumn. Both effects have had a negative impact on our business area Digital Management, which reported unsatisfactory revenue and profit growth in Q4, leading to an unsatisfactory profit per share. Even though we see some recovery after the new year, we are taking measures as regards client priorities, structure and internal efficiency.

At the same time, we are pleased to see continued strong growth in other operations. The Digital Innovation business area, which develops software, products and services for our clients, reported revenue growth of 46 per cent and an operating profit of 77 per cent in Q4. Digital Infra also reports strong growth and improving profitability, as does the Nord business area, though from a lower level.

In total we have advanced our positions substantially in 2018.

### Digital partner

- With our name change to B3 Consulting Group, and our new brand platform, we have laid the foundation for clearer communication and positioning as a digital partner to our clients. Under our motto "Creating possibilities together" we take on the task of advising, leading and supporting our clients throughout all stages of a digitalisation process.
- For many of our clients the digitalisation journey starts with a focus on "the client's customer" – creating new digital customer experiences and building new revenue streams online. This forms the foundation for our fastest growing operations in the digital agency Rebel & Bird, whose talents in digital strategy and UX have been strengthened and further supplemented by business management, architects and developers.
- With the acquisition of Alenio Consulting, beginning 2019, we are further strengthening our advisory capability in the analysis and strategy phase.

### Geographical expansion

Establishment in more local markets allows us access to new business opportunities, while broadening our recruitment base.

- Our acquisition of Third Base has given us a substantially increased presence in the Öresund region, new client relations, and substantially increased capacity in systems development and mobility.
- The acquisition of Reach Consulting also establishes us in the Jönköping and Linköping markets, while we gain a good foothold in innovation and manufacturing industry with systems developers and technical consultants.
- Moreover, for the first time we have started a B3 operation outside Sweden, by establishing an associated company in Poland, which offers consulting services to Polish and international clients in Poland, as well as to some extent also to Swedish clients.

### Increased capacity

Growth continues to be a high priority for the B3 Consulting Group. With increased capacity we can take on more and greater assignments, while strengthening our ability to win status as a framework partner or "preferred supplier" to important customers.

During the year we substantially increased our delivery capability, by contracting with another 116 co-workers, an increase of 24 per cent, to a new record figure of 609.

With this as our base we are well positioned for a continued journey of success. I would like to offer warm thanks to all our co-workers and clients for an exciting 2018. We have entered 2019 with great confidence as an even stronger company.

*Sven Uthorn*

# 17%

revenue growth  
2018

# 28%

profit growth 2018

## Forward

Digital partner,  
geographical expansion  
and increased capacity

# 24%

more co-workers in  
2018

## Important events during the period

- The Group adopts a new brand platform and changes its name to B3 Consulting Group AB (publ)
- The B3 Group is divided into four business areas for better development and control of operations and to make the most of business opportunities.
- In March B3 acquires 66.4 per cent of the consulting company Third Base AB with 34 co-workers
- B3's subsidiary Rebel & Bird becomes new digital partner for Parks & Resorts with the aim of developing the digital customer meeting and new digital services for known visitor attractions such as Gröna Lund, Kolmården, Aquaria, Furuvik and Skara Sommarland
- B3's model is established outside Sweden with an associated company in Poland
- B3 is one of the winners in the Legal, Financial and Administrative Services Agency procurement of IT services for Region Södra
- B3 is one of the winners in the Swedish Association of Local Authorities and Regions Kommentus procurement of IT consultants for municipalities and county councils
- B3 starts a new company, B3 Squadra, with a focus on team deliveries
- B3 is included in Veckans Affärer's list of Super Companies 2018
- In November B3 acquires 65 per cent of Reach Consulting AB with 40 co-workers
- B3 signed an agreement to acquire 60 per cent of the management consultant company Alenio Consulting AB with eleven co-workers. Alenio is consolidated into the B3 Group on 1 January 2019

## Important events after the close of the period

- The Board of Directors proposes to the Annual General Meeting a dividend of SEK 2.25 (2.17) per share, totalling SEK 16.7 (16.1) million

## Group

### Fourth quarter, October – December 2018

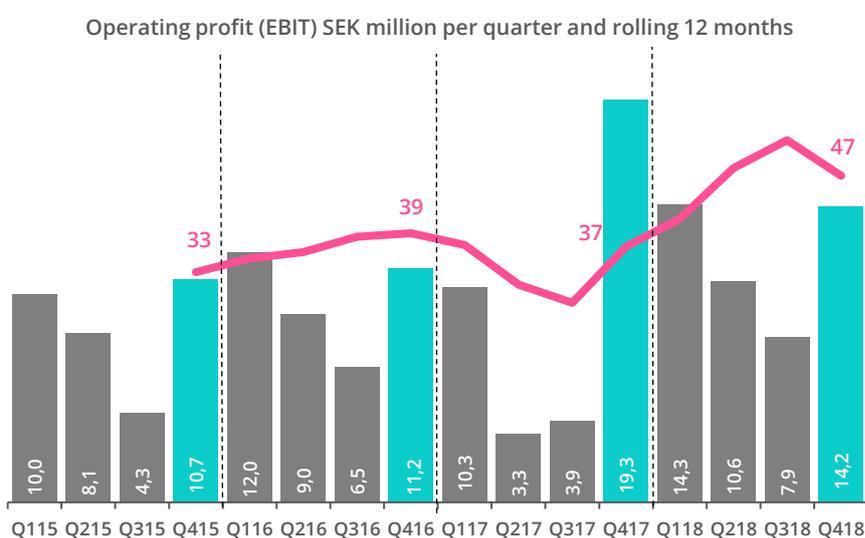
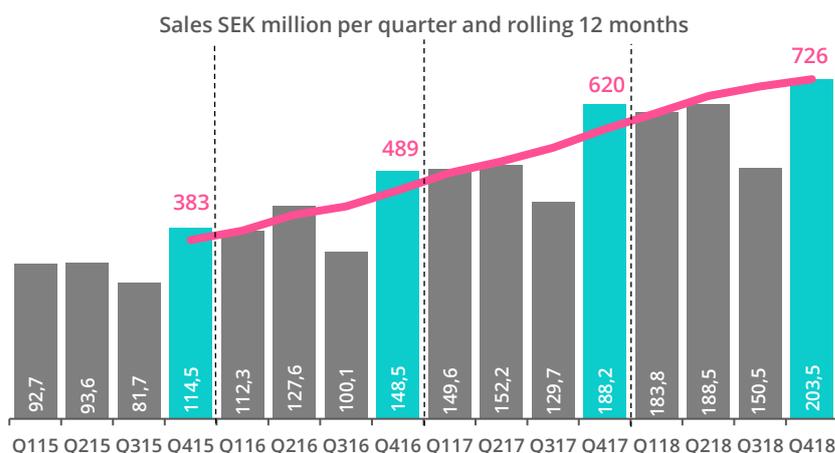
#### *Revenue and profit*

Sales in the fourth quarter were SEK 203.5 (188.2) million. Growth was 8.1 (26.7) per cent. The increase in revenue is due to improved delivery capability as a result of recruitment and acquisitions.

The market is characterised by generally good demand, while some sectors have reported a slowdown in the period. The long-drawn-out budget process in the public sector after the autumn election meant that many important client projects had to be put on hold. The banking and finance sector also continued to show restraint during the autumn. The restraint in these industries has led to lower capacity utilisation in the fourth quarter, and thus poorer profitability, which mainly impacted the company's largest business area, Digital Management. Some recovery after the new year. The business area's sales in the fourth quarter amount to SEK 78.8 (94.9) million, giving negative growth of 17 per cent during the period. The operating profit for the period is SEK 6.0 (13.5) million.

The next largest business area, Digital Innovation, reported a strong fourth quarter, with sales of SEK 61.7 (42.4) million, which means growth of 46 per cent. The operating profit has increased from SEK 3.9 million to SEK 6.9 million. Apart from growth in the IT, media and entertainment industry, the year's two acquisitions in the business area are included. Digital Infra also reports strong growth and improving profitability, as does the Nord business area, though from a lower level.

Total operating expenses in the quarter were SEK 189.5 (169.0) million. Staff costs were SEK 139.1 (121.8) million, corresponding to 68.4 (64.7) per cent of sales. The operating profit for the quarter amounted to SEK 14.2 (19.3) million. This corresponds to an operating margin of 7.0 (10.3) per cent.



### Full year January – December 2018

#### Revenue and profit

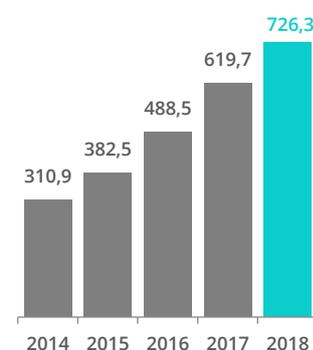
During the period sales were SEK 726.3 (619.7) million. Growth was 17.2 (26.9) per cent. The increase in revenue is from both increased delivery capacity due to recruitment and acquisition, and high capacity utilisation in a market characterised by good demand and a positive general investment climate. Moreover, growth was positively impacted by the acquisition of Third Base in March and Reach Consulting in December.

Sub-consultants are used for a small part of the business, amounting during the period to 10.0 (11.7) per cent of sales. In connection with some client engagements there are sales of software licences, which may give temporary revenue surpluses, usually at relatively low margins. Sales for the period include licence sales of SEK 7.2 (5.8) million.

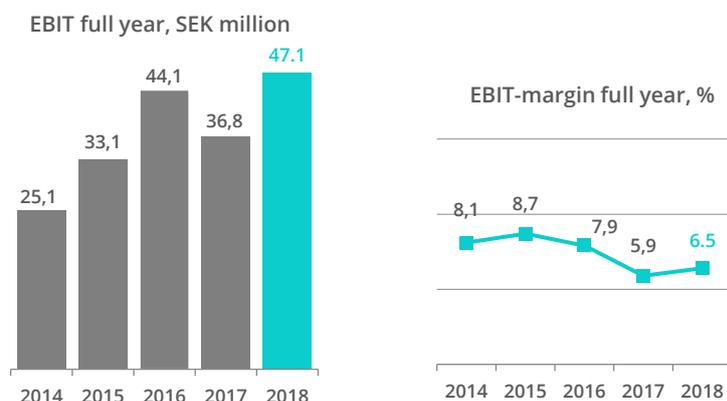
Total operating expenses in the period were SEK 680.9 (583.4) million. Staff costs were SEK 495.5 (422.5) million, corresponding to 68.2 (68.2) per cent of sales. Acquisition related costs for the period amount to about SEK 1.7 million.

The operating profit for the period is SEK 47.1 (36.8) million. This corresponds to an operating margin of 6.5 (5.9) per cent. The company had a high level of growth in the period, which in the short term reduces the operating margin. B3 has made a number of investments to develop and

Sales SEK million, full year



grow the business. Acquisitions include the consultancy companies Third Base and Reach Consulting, as well as establishment of a new group function in business development and sales. Furthermore, a supplementary purchase price was paid in April 2018 by agreement in connection with the acquisition of Sentensia Q in July 2017. The supplementary purchase price is based on the company's development, which was better than expected. SEK 1.0 million of the supplementary purchase price is charged to the Group's operating profit.



In general, the first and second quarters have a relatively even work rate. The third quarter includes most of the holiday period and the fourth quarter is the most work-intensive. The number of working days in 2018 was 225 (226).

#### *Segment reporting*

Since 1 January 2018 the B3 Group consists of four business areas.

#### Digital Management business area

The business area offers services in operations development, digital transformation, change leadership, decision support etc. Digital Management is the largest business area and accounts for 42 per cent of the Group's sales. The clients include county councils, authorities, the banking and finance sector and the telecom sector.

Digital Management sales were SEK 313.8 (296.1) million, with an operating profit of SEK 25.2 (30.3) million. Full year growth for the business area was six per cent, with an operating margin of 8.0 (10.2) per cent. The business area reported a very good first half year. The long-drawn-out budget process in the public sector after the autumn election meant that many important client projects had to be put on hold. The banking and finance sector also continued to show restraint during the autumn. Both effects have had a negative impact on the business area, which reported unsatisfactory revenue and profit growth in the fourth quarter. Some recovery after the new year. The business area's sales in the fourth quarter amount to SEK 78.8 (94.9) million, giving negative growth of 17 per cent during the period. The operating profit was SEK 6.0 (13.5) million, which gives an operating margin of 7.6 (14.2) per cent. Measures are being taken as regards client priorities, structure and internal efficiency.

#### Digital Innovation business area

The business area is focused on development of application software, digital customer experiences, products and services. Digital Innovation accounts for 29 per cent of the Group's sales.

Digital Innovation sales were SEK 214.0 (141.4) million, with an operating profit of SEK 20.9 (4.2) million. The business area grew by 51 per cent in the full year. The acquisition in March 2018 of Third Base AB meant that B3 strengthened its position in the Öresund region and increased its delivery capability in systems development and mobility. In November Reach Consulting AB was acquired with operations in Jönköping and Linköping, with a focus on technology consulting and systems development, above all for the industrial sector. All in all, the business area's operating

margin strengthened during the period to 9.8 (3.0) per cent, thanks to good demand and high capacity utilisation.

The business area reported a strong fourth quarter, with increased sales of SEK 61.7 (42.4) million, which means growth of 46 per cent. The operating profit has increased from SEK 3.9 to SEK 6.9 million, which gives an operating margin of 11.2 (9.2) per cent. Apart from growth in the IT, media and entertainment industry, the year's two acquisitions in the business area are included.

#### Digital Infra business area

The business area offers services relating to effective, secure, scalable and accessible infrastructure. Digital Infra accounts for 20 per cent of the Group's sales. The market is characterised by the transfer of new and existing solutions to the cloud and IT security issues are in focus.

Digital Infra's full year sales were SEK 148.4 (113.4) million, with an operating profit of SEK 4.8 (2.4) million. Growth amounts to 31 per cent, with an operating margin of 3.2 (2.1) per cent. During the year the business area has steadily progressed to increasingly high capacity utilisation, which led to a strong close to the year. Fourth quarter growth was 38 per cent, and the operating margin was 3.4 (2.5) per cent.

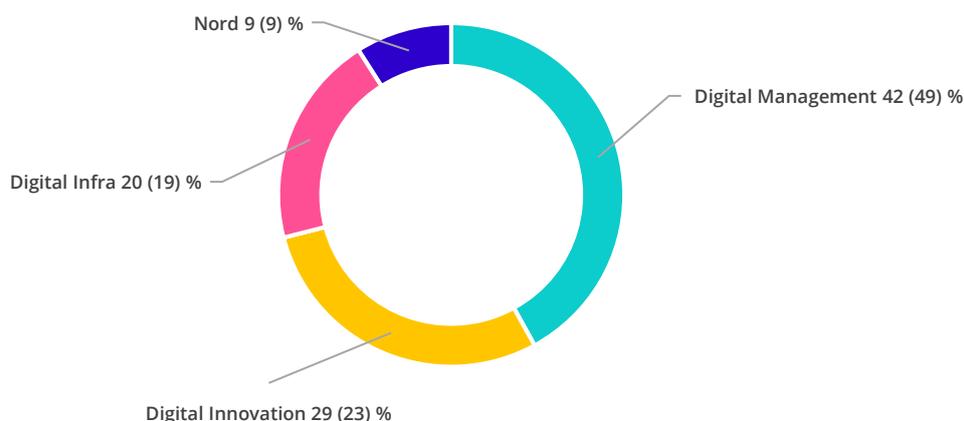
#### Nord business area

The business area consists of geographically coherent companies with a focus on developing B3's operations in the local client markets of Sundsvall, Gävle and Borlänge. Nord accounts for nine per cent of the Group's sales.

Nord's full year sales were SEK 66.8 (55.5) million, with growth of 20 per cent. The operating profit was SEK 1.7 (-2.0) million, which is equivalent to an operating margin of 2.5 (-3.6) per cent. Business is mainly impacted by developments in the public sector and is gradually expanding into industry.

The fourth quarter was strong thanks to high capacity utilisation, with growth of 24 per cent and an operating margin of 3.6 (-7.1) per cent.

Share of revenue per business area, full year 2018 (2017)



For a detailed list of the segments' revenue and profit, please see Note 5.

### Cash flow and financial position

The Group's cash flow in the period amounts to SEK 4.1 (-34.4) million. Cash flow from operating activities was SEK 44.6 (28.8) million, where the operations had a positive cash flow of SEK 35.9 (23.5) million and working capital changed by SEK 8.7 (5.3) million. The Group's cash flow was considerably impacted by investing activities, -48,9 (-44,2) million, which mainly refer to acquisition of Third Base and Reach Consulting, as well as a supplementary purchase price for the 2017 acquisition of Sentensia Q. Cash flow from financing activities was SEK 8.4 (-19.1) million. The cash flow is impacted among other things by loans raised mainly in connection with acquisitions, of SEK 59.0 (16.0) million and dividend of SEK 17.8 (17.5) million.

The Group's cash and cash equivalents amounted to SEK 22.1 (18.0) million as at 31 December and to SEK 2.5 (7.7) million as at 30 September.

Equity at the close of the period was SEK 122.4 (110.7) million. As at 31 December the Group's net debt was SEK 57.4 (20.2) million. Net debt as a percentage of EBITA on a rolling 12-month basis is 1.2 (0.5). The company's long-term target is for net debt as a percentage of EBITA to be less than 1.5. The equity-assets ratio is 28.8 (31.7) per cent.

### Investments

The Group's net investments in the period amounted to SEK 48.9 (44.2) million, which mainly refer to the acquisition of Third Base and Reach Consulting. See also Note 4. Net investments are also affected by shareholders' contributions paid to associated companies. The figure for the previous year is impacted by the acquisitions of Init, Rebel & Bird and Sentensia Q, as well as acquisitions of minority shareholdings in subsidiaries.

### Co-workers

B3's net recruitment was 116 (119) co-workers during the period. As at 31 December the number of co-workers is 609 (493).

### Clients

At the beginning of 2019 B3 had more than 200 active clients of which no individual client represents more than ten per cent of the company's total sales. The company's ten largest clients together represent more than 25 per cent of B3's sales and the 40 next largest clients represent just over 40 per cent of sales. More than 50 per cent of B3's sales are related to industries with low or moderate cyclical dependence. In addition, revenues from our own framework agreements constitute 20 per cent of the company's sales.

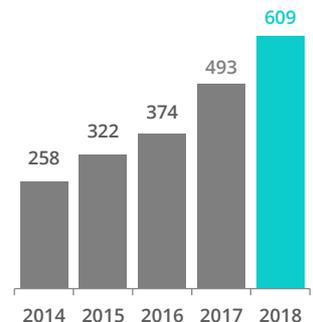
**29%**

equity/assets ratio  
31 December

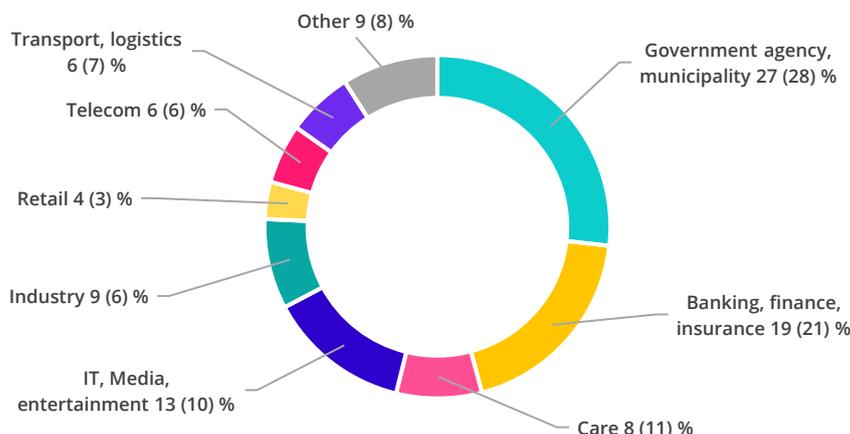
**116**

more co-workers  
in 2018

Number of co-workers  
December 31



Share of revenue per industry, full year 2018 (2017)



## Parent company

B3 Consulting Group AB (publ) operates as a unifying parent company for the operations in all the subsidiaries. The parent company is responsible for group-wide services such as business development, IT, accounting, administration, HR and marketing. The parent company is also responsible for the overall offer in relation to major framework agreement clients.

### Fourth quarter, October – December 2018

#### *Revenue and profit*

The parent company's net sales in the quarter amounted to SEK 34.6 (24.5) million, which derives from framework agreements common to the Group and invoiced via B3 Consulting Group AB (publ). The parent company's total operating income amounts to SEK 53.2 (38.0) million. The difference between the parent company's sales and total operating income is re-invoicing to subsidiaries of group-wide services. The operating profit for the quarter amounted to SEK -0.2 (-0.4) million.

### Full year January – December 2018

#### *Revenue and profit*

The parent company's net sales in the period amounted to SEK 125.3 (80.9) million, which derives from framework agreements common to the Group and invoiced via B3 Consulting Group AB (publ). The parent company's total operating income amounts to SEK 197.3 (134.2) million. The difference between the parent company's sales and total operating income is re-invoicing to subsidiaries of group-wide services. The operating profit for the period is SEK -0.5 (-1.0) million.

#### *Financial position*

Cash and cash equivalents amounted to SEK 14.4 (14.0) million as at 31 December. The parent company has overdraft facilities with a limit of a SEK 15.0 (15.0) million, of which SEK 0.0 (0.0) million has been used. In 2017 the company entered into a revolving credit facility agreement with a view to facilitating financing needs regarding acquisitions. The facility amounted to SEK 35 million, of which SEK 16 million has been used. In November the company signed a three-year term facility agreement for SEK 40 million in order to further increase flexibility for financing and acquisition. SEK 19 million of this facility was used to amortise the corresponding amount of the revolving credit facility. The parent company's equity amounts to SEK 165.1 (153.2) million. The operating profit includes an anticipated dividend of SEK 24.7 (23.5) million. On 31 December the company had net debt of SEK 41.6 (4.0) million. The equity/assets ratio is 45,0 (51.2) per cent.

## The B3 share

The B3 share has been listed on Nasdaq Stockholm since December 2016. As at 31 December 2018 there is a total of 7,421,876 shares and the same number of votes, distributed among 2,291 shareholders. Share capital amounts to SEK 742,187:60.

In May 2018 the parent company's name was changed to B3 Consulting Group AB (publ) and the ticker name on the Stockholm Stock Exchange to B3. The previous ticker name was B3IT.

### Dividend

The company's financial targets mean that every year B3 is to distribute two thirds of the Group's profit after tax attributable to the parent company's shareholders, while taking into account the company's capital requirements to deal with changes in working capital, and for investments, mainly acquisitions. The Board of Directors proposes that the Annual General Meeting resolve to pay a higher dividend of SEK 2.25 (2.17) per share, in total SEK 16.7 (16.1) million.

**2,291**  
B3 shareholders

**SEK 2.25**  
in dividend

## Other information

### Outlook

The B3 Group will develop in pace with improved delivery capacity as a result of recruitment and acquisition, based on customer demand and the general investment climate. The company makes no forecasts.

The Board of Directors has determined an overall objective for the next few years; with 2015 as a base, to increase profit per share in the company by about 20 per cent per year. This is to be achieved through continued growth higher than 15 per cent per year – through recruitment, acquisitions and new establishment – and with the aim of keeping the operating margin (EBIT) in the interval of 8–12 per cent, as a balance between short-term expansion costs and long-term economies of scale.

Net debt as a percentage of EBITA must normally be less than 1.5, but may be allowed temporarily to rise to higher levels in connection with acquisitions.

Every year B3 is to distribute two thirds of the company's profit after tax attributable to the shareholders of B3 Consulting Group AB (publ), while taking into account the company's capital requirements to deal with changes in working capital, and for investments, mainly acquisitions.

### Risks and uncertainties

In its operations the B3 Group may be exposed to various risks. Some of these the company can control, while others lie outside its control. Material risks and uncertainties are described in the Annual Report for 2017 in the section "Risks and risk management" in the administration report and under Note 3. No material changes have subsequently arisen.

### Other events during the reporting period

In November B3 acquired 65 per cent of Reach Consulting AB with 40 co-workers. This acquisition establishes B3 in Jönköping and Linköping as well as strengthening its offer to the innovation and manufacturing industries. Consolidation took place on 1 December 2018 and the acquired company was renamed B3 Reach Consulting AB.

B3 signed an agreement to acquire 60 per cent - with a future option to increase the holding to 100 per cent - of the management consultant company Alenio Consulting AB with eleven co-workers. Alenio specialises in strategy and leadership, focusing on the digital customer meeting. Consolidation will take place on 1 January 2019 and the acquired company is renamed B3 Alenio Consulting AB.

## Annual General Meeting

The 2018 Annual General Meeting will take place on 16 May 2019, at 16.00 at B3IT's premises in Stockholm. Notice to attend the Annual General Meeting is published at the latest four weeks before this date on the company's website and in Post & Inrikes Tidningar (the Swedish Official Gazette) and announced in Dagens Industri.

Ahead of the coming Annual General Meeting a Nominations Committee has been appointed in accordance with a resolution on procedure made by B3's Annual General Meeting on 15 May 2018. The Nominations Committee consists of Hans Didring, representative of Protector Forsikring ASA, Leif Frykman, representative of Sven Uthorn AB and Henrik Holm, Chair of the Board of B3 Consulting Group AB (publ). The Nominations Committee thus corresponds to about 34 per cent of the total number of outstanding shares and votes.

**B3 acquires**  
Reach and Alenio

**AGM**  
16 May B3's Annual  
General Meeting



Shareholders who wish to submit proposals to B3's Nominations Committee can do so by 28 February 2019 at the latest, via email to B3 Consulting Group AB (publ), Att: Nominations Committee, P.O. Box 8, SE 101 20 Stockholm.

## Calendar

Annual Report 2018	12 April 2019
Interim report Q1, January-March 2019	9 May 2019
Annual General Meeting for 2018, Stockholm	16 May 2019
Interim report Q2, January-June 2019	21 August 2019
Interim report Q3, January-September 2019	6 November 2019

## Signing of the report

The Board of Directors and President certify that the interim report for the fourth quarter of 2019 gives a fair presentation of the Group's and the Parent Company's operations, financial position and performance and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 21 February, 2019

The Board of Directors of B3 Consulting Group AB (publ)

Henrik Holm  
Chairman of the Board

Alf Blomqvist  
Member of the Board

Rune Nordlander  
Member of the Board

Marika Skärvik  
Member of the Board

Sven Uthorn  
CEO and Member  
of the Board

## Presentation of the report

A webcast presentation will be available for investors, analysts and the media today at 09.00. The webcast can be accessed via [www.b3.se/ir](http://www.b3.se/ir). Select "See all" under "Reports and presentations". It is possible to email questions via the webcast, as well as in advance via [ir@b3.se](mailto:ir@b3.se)

*B3 Consulting Group is one of Sweden's fastest growing consulting companies and currently has more than 600 co-workers. We help Sweden's foremost companies and organisations to create tomorrow's opportunities using digitalisation and operations development. We also endeavour to build a corporate culture that values our diversity, experiences and common energy. Satisfied clients, together with top results in the Great Place To Work (GPTW) survey and five DI Gazelle awards are evidence of a sustainable model for success. Sales in 2018 amounted to SEK 726.3 million, with an operating profit of SEK 47.1 million. There are offices in Stockholm, Borlänge, Gävle, Gothenburg, Malmö, Sundsvall, Örebro and Warsaw. B3 is listed on Nasdaq Stockholm. More information can be found at [www.b3.se](http://www.b3.se)*

**B3 Consulting Group AB (publ), Box 8, 101 20 Stockholm. Kungsbron 2. Tel. +46 8 410 143 40 Corporate ID number 556606-3300**

There may be rounding differences in the tables

<b>CONSOLIDATED INCOME STATEMENTS</b>	<b>October -- December</b>		<b>January - December</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>SEK MILLION</b>				
Net sales	203.5	188.2	726.3	619.7
Other operating income	0.2	0.1	1.7	0.5
<b>Operating revenue etc.</b>	<b>203.7</b>	<b>188.3</b>	<b>728.0</b>	<b>620.2</b>
Engagement-specific external expenses	-29.0	-27.4	-103.4	-93.3
Other external expenses	-20.3	-18.0	-75.3	-61.0
Staff costs	-139.1	-121.8	-495.5	-422.5
Depreciation/amortisation and impairment	-1.3	-1.9	-7.0	-6.7
Other operating expenses	0.2	0.1	0.3	0.1
<b>Operating profit</b>	<b>14.2</b>	<b>19.3</b>	<b>47.1</b>	<b>36.8</b>
<b>Profit from financial investments</b>				
Financial income	0.0	0.0	0.0	0.0
Profit from investments in associated companies	-1.5	-1.2	-4.0	-1.8
Financial expenses	-0.9	-0.5	-2.7	-1.7
<b>Profit after financial items</b>	<b>11.8</b>	<b>17.6</b>	<b>40.4</b>	<b>33.3</b>
Tax	-3.5	-2.1	-12.1	-7.2
<b>PROFIT FOR THE PERIOD</b>	<b>8.3</b>	<b>15.5</b>	<b>28.3</b>	<b>26.1</b>
Income for the period attributable to:				
Parent company's shareholders	7.4	14.1	23.4	24.2
Non-controlling interests	0.9	1.4	4.9	1.9
<b>PROFIT FOR THE PERIOD</b>	<b>8.3</b>	<b>15.5</b>	<b>28.3</b>	<b>26.1</b>
Earnings per share before dilution), SEK	1.00	1.90	3.15	3.29
Earnings per share after dilution, SEK	1.00	1.90	3.15	3.29

<b>CONSOLIDATED</b>	<b>October -- December</b>		<b>January -- December</b>	
<b>COMPREHENSIVE INCOME, SEK MILLION</b>	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<b>Profit for the period</b>	<b>8.3</b>	<b>15.5</b>	<b>28.3</b>	<b>26.1</b>
<b>Other comprehensive income for the period:</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Comprehensive income for the period</b>	<b>8.3</b>	<b>15.5</b>	<b>28.3</b>	<b>26.1</b>
Comprehensive income for the period attributable to:				
Parent company's shareholders	7.4	14.1	23.4	24.2
Non-controlling interests	0.9	1.4	4.9	1.9
<b>Comprehensive income for the period</b>	<b>8.3</b>	<b>15.5</b>	<b>28.3</b>	<b>26.1</b>

CONSOLIDATED BALANCE SHEETS	31 December	31 December
SEK MILLION	2018	2017
<b>ASSETS</b>		
<i>Non-current assets.</i>		
Intangible fixed assets	158.4	113.9
Property, plant and equipment	29.8	25.3
Deferred tax assets	3.1	4.7
Other long-term receivables	4.8	4.2
Investments in associated companies	8.0	3.0
<b>Total non-current assets</b>	<b>204.1</b>	<b>151.1</b>
<i>Current assets</i>		
Accounts receivable - trade	157.9	149.1
Receivables from associated companies	1.7	0.8
Current tax assets	18.5	16.5
Other receivables	8.0	6.3
Prepaid expenses and accrued income	13.4	7.6
Cash and cash equivalents	22.1	18.0
<b>Total current assets</b>	<b>221.6</b>	<b>198.3</b>
<b>TOTAL ASSETS</b>	<b>425.7</b>	<b>349.4</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>		
Share capital	0.7	0.7
Other contributed capital	53.9	53.9
Retained earnings including profit for the year	38.3	41.4
<b>Equity attributable to the parent company shareholders</b>	<b>92.9</b>	<b>96.0</b>
Non-controlling interests	29.5	14.7
<b>Total equity</b>	<b>122.4</b>	<b>110.7</b>
<i>Non-current liabilities</i>		
Deferred tax liabilities	1.8	3.0
Other provisions	0.2	0.4
Interest-bearing non-current liabilities	48.1	27.8
Other non-current liabilities	14.2	13.1
<b>Total non-current liabilities</b>	<b>64.3</b>	<b>44.3</b>
<i>Current liabilities</i>		
Interest-bearing current liabilities	31.4	10.4
Trade payables	35.0	30.2
Current tax liabilities	2.0	2.1
Liabilities to associated companies	1.9	0.5
Other current liabilities	116.8	110.8
Accrued expenses, deferred income	51.9	40.4
<b>Total current liabilities</b>	<b>239.0</b>	<b>194.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>425.7</b>	<b>349.4</b>

CHANGES IN EQUITY	SHARE	OTHER	RETAINED	NON-	TOTAL EQUITY
			EARNINGS		
			INCLUDING	CONTROLLING	
<i>Group (SEK million)</i>	CAPITAL	CAPITAL	YEAR'S	INTERESTS	CAPITAL
			EARNINGS		
<b>Opening equity as at 1 January 2017</b>	<b>0.7</b>	<b>45.8</b>	<b>33.9</b>	<b>6.3</b>	<b>86.7</b>
Profit for the period			24.2	1.9	26.1
Other comprehensive income for the period			-	-	-
<b>Comprehensive income for the period</b>			<b>24.2</b>	<b>1.9</b>	<b>26.1</b>
<i>Transactions with shareholders:</i>					
Dividend			-15.3	-2.2	-17.5
Option redemption			7.0		7.0
New issue		10.6			10.6
Non-cash shares in subsidiaries		-2.5			-2.5
growth through acquisition				9.9	9.9
Change in shareholding in subsidiaries			-8.4	-1.2	-9.6
<b>Total transactions with shareholders</b>		<b>8.1</b>	<b>-16.7</b>	<b>6.5</b>	<b>-2.1</b>
<b>Closing equity as at 31 December 2017</b>	<b>0.7</b>	<b>53.9</b>	<b>41.4</b>	<b>14.7</b>	<b>110.7</b>

CHANGES IN EQUITY	SHARE	OTHER	RETAINED	NON-	TOTAL EQUITY
			EARNINGS		
			INCLUDING	CONTROLLING	
<i>Group (SEK million)</i>	CAPITAL	CAPITAL	YEAR'S	INTERESTS	CAPITAL
			EARNINGS		
<b>Opening equity as at 1 January 2018</b>	<b>0.7</b>	<b>53.9</b>	<b>41.4</b>	<b>14.7</b>	<b>110.7</b>
Profit for the period			23.4	4.9	28.3
Other comprehensive income for the period			-	-	-
<b>Comprehensive income for the period</b>			<b>23.4</b>	<b>4.9</b>	<b>28.3</b>
<i>Transactions with shareholders:</i>					
Dividend			-16.1	-1.7	-17.8
Option redemption			6.4	0.0	6.4
Debt option acquisition			-14.1		-14.1
growth through acquisition			0.0	15.6	15.6
Change in shareholding in subsidiaries			-2.7	-4.0	-6.7
<b>Total transactions with shareholders</b>			<b>-26.5</b>	<b>9.9</b>	<b>-16.6</b>
<b>Closing equity as at 31 December 2018</b>	<b>0.7</b>	<b>53.9</b>	<b>38.3</b>	<b>29.5</b>	<b>122.4</b>

<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>1/10/2018</b>	<b>1/10/2017</b>	<b>1/1/2018</b>	<b>1/1/2017</b>
<b>SEK MILLION</b>	<b>31/12/2018</b>	<b>31/12/2017</b>	<b>31/12/2018</b>	<b>31/12/2017</b>
Operating profit	14.2	19.3	47.1	36.8
Adjustment for non-cash items	0.2	2.1	7.3	6.9
Interest received	-0.1	0.0	0.0	0.0
Interest paid	-0.8	-0.5	-2.6	-1.7
Income tax paid	6.9	-1.7	-15.2	-18.5
<b>Cash flow from operating activities</b>				
before change in working capital	20.4	19.2	36.6	23.5
Increase(-)/Decrease(+) in operating receivables	-18.6	-14.7	2.3	-4.4
Increase(+)/Decrease(-) in operating liabilities	8.2	12.4	5.7	9.7
<b>Cash flow from operating activities</b>	<b>10.0</b>	<b>16.9</b>	<b>44.6</b>	<b>28.8</b>
<b>Investing activities</b>				
Business combinations	-5.4	0.0	-36.6	-37.0
Acquisition of property, plant and equipment and intangible assets	-1.8	-0.3	-3.0	-2.5
Sales of property, plant and equipment	0.0	0.1	0.0	0.1
Shareholders' contributions paid to associated companies for the year	-2.9	-4.4	-9.2	-4.4
Other changes in financial assets	-0.1	-0.4	-0.1	-0.4
<b>Cash flow from investing activities</b>	<b>-10.2</b>	<b>-5.0</b>	<b>-48.9</b>	<b>-44.2</b>
<b>Financing activities</b>				
Loans raised	40.0	0.0	59.0	16.0
Amortisation of loans	-20.2	-1.6	-26.6	-8.0
Dividend paid to parent company shareholders	0.0	0.0	-16.1	-15.3
Dividend paid to non-controlling interests	0.0	0.0	-1.7	-2.2
Transactions with non-controlling interests	0.0	0.0	-6.2	-9.6
<b>Cash flow from financing activities</b>	<b>19.8</b>	<b>-1.6</b>	<b>8.4</b>	<b>-19.1</b>
<b>Change in liquid assets</b>	<b>19.6</b>	<b>10.3</b>	<b>4.1</b>	<b>-34.4</b>
<b>Reconciliation of change in cash and bank balances</b>				
Opening balance cash and cash equivalents	2.5	7.7	18.0	52.4
Closing balance cash and cash equivalents	22.1	18.0	22.1	18.0
<b>Change in liquid assets</b>	<b>19.6</b>	<b>10.3</b>	<b>4.1</b>	<b>-34.4</b>

## PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT SEK MILLION	October -- December		January - December	
	2018	2017	2018	2017
Net sales	34.6	24.5	125.3	80.9
Other revenue	18.6	13.5	72.0	53.3
<b>Operating revenue</b>	<b>53.2</b>	<b>38.0</b>	<b>197.3</b>	<b>134.2</b>
<b>Operating expenses</b>				
Engagement-specific external expenses	-35.0	-24.7	-128.0	-82.1
Other external expenses	-11.2	-8.7	-41.7	-29.8
Staff costs	-7.0	-4.8	-27.5	-22.7
Depreciation/amortisation and impairment	-0.2	-0.1	-0.6	-0.4
Other operating expenses	0.0	-0.1	0.0	-0.2
<b>Operating profit</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.5</b>	<b>-1.0</b>
<b>Profit from financial investments</b>				
Profit from investments in group companies	24.7	23.5	24.7	26.2
Other interest income and similar profit/loss items	0.1	0.1	0.2	0.2
Interest expense and similar profit/loss items	-0.7	0.0	-1.4	-0.5
<b>Profit after financial items</b>	<b>23.9</b>	<b>23.2</b>	<b>23.0</b>	<b>24.9</b>
<i>Appropriations</i>				
Group contribution	6.3	3.8	6.3	3.8
Tax	-1.2	0.2	-1.4	0.2
<b>PROFIT FOR THE PERIOD</b>	<b>29.0</b>	<b>27.2</b>	<b>27.9</b>	<b>28.9</b>

PARENT COMPANY BALANCE SHEET	31 December	31 December
SEK MILLION	2018	2017
<b>ASSETS</b>		
<i>Non-current assets</i>		
Intangible fixed assets	1.0	-
Property, plant and equipment	2.5	2.1
	<b>3.5</b>	<b>2.1</b>
<i>Financial assets</i>		
Investments in group companies	223.8	194.7
Receivables from Group companies	0.9	0.8
Investments in associated companies	13.4	4.6
Other long-term receivables	3.2	3.2
Deferred tax assets	0.7	2.1
	<b>242.0</b>	<b>205.4</b>
<b>Total non-current assets</b>	<b>245.5</b>	<b>207.5</b>
<i>Current assets</i>		
<i>Current receivables</i>		
Accounts receivable - trade	28.1	18.7
Receivables from Group companies	69.6	53.4
Receivables from associated companies	1.0	0.8
Tax assets	1.3	1.3
Other receivables	1.5	0.6
Prepaid expenses and accrued income	5.2	2.7
	<b>106.7</b>	<b>77.6</b>
<b>Cash and bank balances</b>	<b>14.4</b>	<b>14.0</b>
<b>Total current assets</b>	<b>121.1</b>	<b>91.6</b>
<b>TOTAL ASSETS</b>	<b>366.6</b>	<b>299.1</b>
<b>EQUITY AND LIABILITIES</b>		
<i>Equity</i>		
<i>Restricted equity</i>		
Share capital	0.7	0.7
Statutory reserve	0.0	0.0
	<b>0.7</b>	<b>0.7</b>
<i>Non-restricted equity</i>		
Retained earnings	136.5	123.6
Net profit/loss for the year	27.9	28.9
	<b>164.4</b>	<b>152.5</b>
<b>Total equity</b>	<b>165.1</b>	<b>153.2</b>
<i>Provisions and non-current liabilities</i>		
Liabilities to credit institutions	32.5	16.0
Other non-current liabilities	0.0	13.0
<b>Total non-current liabilities</b>	<b>32.5</b>	<b>29.0</b>
<i>Current liabilities</i>		
Liabilities to credit institutions	23.5	2.0
Trade payables	13.2	8.2
Liabilities to Group companies	108.5	95.2
Liabilities to associated companies	1.9	-
Other current liabilities	16.1	8.4
Accrued expenses and deferred income	5.8	3.1
<b>Total current liabilities</b>	<b>169.0</b>	<b>116.9</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>366.6</b>	<b>299.1</b>

## NOTES

### NOTE 1 ACCOUNTING POLICIES AND VALUATION PRINCIPLES

B3 applies International Financial Reporting Standards (IFRS) as adopted by the EU. This interim report was prepared in accordance with the Annual Accounts Act and IAS 34 Interim Financial Reporting. As of 1 January 2018, the Group applies IFRS 9 and IFRS 15. In other respects, the Group's accounting policies are unchanged in comparison with the most recently submitted annual report. A complete description of accounting policies and valuation principles is given in the Annual Report for 2017 under Note 2.

The parent company prepares its accounts in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board recommendation RFR 2 and applies accounting policies and valuation principles as in the annual report for 2017.

Two new standards came into force on 1 January, 2018. IFRS 9 "Financial Instruments" replaces IAS 39 "Financial Instruments". The criteria for classification and measurement of financial assets have been changed. The standard also includes amended requirements for impairment of expected credit losses and hedge accounting. Determination of how measurement is to be made is based on the company's purpose for holding the asset and the contractual cash flows of the financial instrument. Amended principles for provisions and write-downs of credit losses have been introduced that entail the replacement of the earlier model based on incurred losses by a model based on expected credit losses. The impairment rules under IFRS 9 are based on a three-stage model where accounting must reflect changes in credit risk. For financial assets without a significant financing component, such as ordinary trade receivables and lease receivables, there are simplification rules allowing the company to recognise a reserve for the entire life of the receivable directly, thus not needing to identify when significant deterioration in credit quality has occurred.

The accumulated impact of introducing IFRS 9 was immaterial.

The other standard that came into force in 2018 is IFRS 15, which replaces IAS 18 "Revenue" and IAS 11 "Construction contracts". Revenue is recognised when the customer obtains control over a good or service, a principle that replaces the earlier principle that revenue is recognised when risks and rewards have been transferred to the buyer.

The fundamental principle in IFRS 15 is that a company recognises revenue in the way that best reflects the transfer of the promised good or service to the customer.

The B3 Group's revenue is mainly from selling services on a project basis that are invoiced on open account hour by hour. An analysis of typical contracts has been conducted. The assessment after completing the analysis is that no changes have been identified in revenue recognition under IFRS 15 compared with previous treatment.

The standard also entails increased disclosure requirements that B3 applies as of 1 January 2018. This information can be found in Note 5 Operating segments and breakdown of revenue.

On 1 January 2019 IFRS 16 "Leases" will come into force and replace IAS 17 "Leases". B3 is not planning early application of IFRS 16. For B3 the change means that by and large all leases are to be recognised as assets and liabilities in the balance sheet. B3 estimates that IFRS 16 will increase the balance sheet total through capitalisation of contracts that are currently classified as operating leases; mainly tenancy agreements for premises, the operating profit will be somewhat improved, while financial expenses will increase. B3 currently assumes that the balance sheet total will increase by about 10% on transition, which will be reported in the interim report for the first quarter of 2019.

### NOTE 2 KEY FIGURES - GROUP (SEK MILLION)

Disclosures under IAS 34.16A are also presented in other parts of the report.	October - December		January - December	
	2018	2017	2018	2017
Net sales	203.5	188.2	726.3	619.7
Sales growth %	8.1%	26.7%	17.2%	26.9%
Operating profit before depreciation/amortisation and impairment (EBITDA)	15.5	21.2	54.1	43.5
Operating margin before depreciation/amortisation and impairment (EBITDA)%	7.6%	11.3%	7.4%	7.0%
Operating profit (EBIT)	14.2	19.3	47.1	36.8
Operating margin (EBIT) %	7.0%	10.3%	6.5%	5.9%
Equity-assets ratio %	28.8%	31.7%	28.8%	31.7%
Average number of employees	560	472	524	428
Average number of co-workers	586	493	547	448
Closing number of employees	581	472	560	472
Closing number of co-workers	609	493	609	493
Balance sheet total	425.7	349.4	425.7	349.4
Return on equity %	7.4%	15.0%	24.3%	26.5%
Earnings per share, SEK	1.00	1.90	3.15	3.29

#### Definitions of key figures

B3 presents some financial measures that are not defined in accordance with IFRS, called alternative performance measures. B3 considers that these measures provide valuable supplementary information to investors and the company's management, as they enable evaluation of trends and the company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable with those used by other companies. These financial measures should therefore not be regarded as a replacement for measures defined in accordance with IFRS.

#### Net sales

*Definition:* The company's revenue during the period. Net sales are measured at the fair value of what has been received or will be received, less discounts.

#### Sales growth

*Definition:* The percentage change in net sales in the past period compared with the same period in the previous year.

*Use:* The key figure is assessed by the company to contribute to understanding of the company's historical development.

#### Operating profit before depreciation/amortisation and impairment (EBITDA)

*Definition:* Operating profit for the period before depreciation/amortisation and impairment of property, plant and equipment and intangible assets.

*Use:* The key figure is reported as it is a commonly used measure of a company's financial performance. The company considers that the key figure contributes to investors' understanding of the company's performance during the period and over time. Put simply, the measure shows the profit generating cash flow in the operations.

#### Operating margin before depreciation/amortisation and impairment (EBITDA)

*Definition:* EBITDA in relation to net sales for the same period.

*Use:* The key figure is reported as it is a commonly used measure of a company's financial performance. The company considers that the key figure contributes to investors' understanding of the company's performance during the period and over time.

#### Operating profit (EBIT)

*Definition:* Profit before tax for the period, interest expense, interest income and profit from interests in associated companies (refers to the "financial income" line in the income report).

*Use:* The key figure is presented to provide a picture of the company's performance generated in operating activities during the period and over time.

#### Operating margin (EBIT)

*Definition:* Operating profit in relation to net sales for the same period.

*Use:* The key figure is presented to provide a picture of the company's performance generated in operating activities during the period and over time. The measure reflects the profitability of the operations. It is useful for monitoring effectiveness of operations before taking tie-up of capital into account. The key figure is used both internally in governance and monitoring of operations and for benchmarking against other companies in the industry.

#### EBITA

*Definition:* Operating profit before any impairment of intangible assets.

#### Equity-assets ratio

*Definition:* Closing equity including non-controlling interests as a percentage of the balance sheet total.

*Use:* The company considers that the key figure contributes to investors' understanding of the company's financial position at the close of the period. A sound equity/assets ratio enables preparation for downturns and provides financial preparedness for growth.

#### Average number of employees

*Definition:* The number of employees at the start of the period plus the number of employees at the close of the period divided by two. For the full year each quarter's closing balances are added together and divided by the number of quarters.

*Use:* As the company's costs and revenues are largely dependent on its employees the company considers that the key figure contributes to understanding the company's development.

#### Average number of co-workers

*Definition:* The number of co-workers at the start of the period plus the number of co-workers at the close of the period divided by two. For the full year each quarter's closing balances are added together and divided by the number of quarters.

*Use:* As the company's costs and revenues are largely dependent on its co-workers the company considers that the key figure contributes to understanding the company's development.

#### Closing number of employees

*Definition:* Number of employees at the close of the period.

*Use:* As the company's costs and revenues are largely dependent on its employees the company considers that the key figure contributes to understanding the company's development.

#### Closing number of co-workers

*Definition:* The number of employees and the number of associated consultants (who only work for B3) at the close of the period.

*Use:* As the company's costs and revenues are largely dependent on its co-workers the company considers that the key figure contributes to understanding the company's development.

#### Balance sheet total

*Definition:* Total of the company's assets on the balance sheet.

### Return on equity

*Definition:* Profit after tax as a percentage of average equity including non-controlling interests. If the key figure is calculated for a period shorter than one year the result is used for that period. The result is thus not restated as an annual figure. Average equity capital has been calculated as opening balance plus closing balance of equity capital, including non-controlling interests, divided by two.

*Use:* The company considers that this key figure provides a good picture of the company's historical profitability.

### Net debt

*Definition:* Interest-bearing short-term and long-term debt (external loans, cars financed via finance leases) less cash and cash equivalents and other interest-bearing assets (blocked funds, deposits).

### Borrowings

*Definition:* Net debt as a percentage of EBITA.

*Use:* The measure provides a picture of how fast the company can repay its debts.

### Earnings per share

*Definition:* Profit for the period attributable to the parent company's shareholders net after tax, divided by the average number of outstanding shares in the company.

*Use:* The company considers that this provides a good picture of the company's performance.

## Derivation of certain key figures

SEK MILLION unless otherwise stated	Oct -- Dec		Jan -- Dec	
	2018	2017	2018	2017
Sales	203.5	188.2	726.3	619.7
Increased sales compared with previous year	15.3	39.7	106.6	131.2
<b>Sales growth</b>	<b>8.1%</b>	<b>26.7%</b>	<b>17.2%</b>	<b>26.9%</b>
Operating profit	14.2	19.3	47.1	36.8
Depreciation/amortisation and impairment	1.3	1.9	7.0	6.7
Operating profit before depreciation/amortisation and impairment EBITDA	<b>15.5</b>	<b>21.2</b>	<b>54.1</b>	<b>43.5</b>
Operating profit before depreciation/amortisation and impairment EBITDA	15.5	21.2	54.1	43.5
Net sales	203.5	188.2	726.3	619.7
<b>Operating margin before depreciation/amortisation and impairment (EBITDA), %</b>	<b>7.6%</b>	<b>11.3%</b>	<b>7.4%</b>	<b>7.0%</b>
Operating profit EBIT	<b>14.2</b>	<b>19.3</b>	<b>47.1</b>	<b>36.8</b>
Operating profit	14.2	19.3	47.1	36.8
Net sales	203.5	188.2	726.3	619.7
<b>Operating margin (EBIT), %</b>	<b>7.0%</b>	<b>10.3%</b>	<b>6.5%</b>	<b>5.9%</b>
Operating profit	14.2	19.3	47.1	36.8
Impairment loss on intangible non-current assets	0.0	0.0	0.0	0.0
Operating profit before depreciation/amortisation EBITA	<b>14.2</b>	<b>19.3</b>	<b>47.1</b>	<b>36.8</b>
Equity including non-controlling interests.	122.4	110.7	122.4	110.7
Balance sheet total	425.7	349.4	425.7	349.4
<b>EQUITY-ASSETS RATIO</b>	<b>28.8%</b>	<b>31.7%</b>	<b>28.8%</b>	<b>31.7%</b>
Profit after tax	8.3	15.5	28.3	26.1
Equity including non-controlling interests opening balance	111.3	95.4	110.7	86.7
Equity including non-controlling interests closing balance	122.4	110.7	122.4	110.7
Average equity	116.9	103.0	116.6	98.7
<b>Return on equity, %</b>	<b>7.1%</b>	<b>15.0%</b>	<b>24.3%</b>	<b>26.5%</b>
Interest-bearing long-term liabilities	-48.1	-27.8	-48.1	-27.8
Short-term interest-bearing liabilities	-31.4	-10.4	-31.4	-10.4
Cash and cash equivalents	22.1	18.0	22.1	18.0
<b>Net debt(-)/Net cash balance(+)</b>	<b>-57.4</b>	<b>-20.2</b>	<b>-57.4</b>	<b>-20.2</b>

## NOTE 3 SUPPLEMENTARY DISCLOSURES FINANCIAL ASSETS AND LIABILITIES

The financial instruments measured at fair value on the balance sheet constitute a conditional purchase price of SEK 6.4 (1.0) million. The measurement is a valuation on level 3 of the fair value hierarchy.

The fair value of the Group's other financial assets and liabilities, which are not measured at fair value on the balance sheet, are estimated in all material respects to correspond to the carrying amounts.

*Level 1:* Fair value is determined in accordance with prices quoted in an active market for the same instruments

*Level 2:* Fair value is determined on the basis of either direct (for example price) or indirect (derived from prices) observable market data that is not included in level 1

*Level 3:* Fair value is determined on the basis of inputs that are not based on observable market data

#### NOTE 4 BUSINESS ACQUISITIONS

B3 acquires 66.4 per cent of the shares of the consulting company Third Base AB. The acquisition was made through a cash payment of SEK 25.7 million with an option to acquire the remaining business for a purchase price based on Third Base's growth in the next three years. The acquisition gave goodwill of SEK 37.4 million under the full goodwill method. Goodwill refers mainly to the potential of the market position and profitability of the business. Third Base's share of sales in March to December amounts to SEK 33.8 million, with an operating profit of SEK 7.9 million.

Third Base was established in 2011, has 34 co-workers and sales in 2017 of SEK 34 million, with an operating profit of SEK 8.2 million.

The purchase price is SEK 25.7 million with a net cash balance of SEK 0.8 million. As of 1 March 2018, the company is part of the B3 Group.

The table shows the purchase price paid and acquired identifiable assets and liabilities at the time of acquisition.

In the second quarter B3 Digital Worklife changes from being an associated company to a subsidiary. As of 1 July 2018, the company is included as a subsidiary. B3 Digital Worklife was started in July 2017 as an associated company of the B3 Consulting Group AB and today has 13 co-workers. B3 Digital Worklife's share of sales in July -December amounts to SEK 5.2 million, with an operating profit of SEK -0.7 million. The B3 Group's investment is 60%.

B3 acquires 65% of the shares of Reach Consulting AB. The acquisition was through a cash payment of SEK 6.1 million, of which SEK 5.3 million is the purchase price including a conditional shareholder's contribution and the rest a loan. The acquisition gave goodwill of SEK 6.2 million under the full goodwill method. Goodwill refers mainly to the potential of the market position and profitability of the business. Reach Consulting's share of sales in December was SEK 2 million, with an operating profit of SEK -0.6 million.

Reach Consulting AB is an entrepreneur driven specialist company based in Jönköping and Linköping, with a focus on industrial clients and was established in 2014. The company has about 40 co-workers and in 2018 its sales were SEK 25.9 million.

In January 2019 B3 acquires 60% of the management consulting company Alenio Consulting AB for SEK 5.4 million, with an option to acquire the remaining 40% for a purchase price based on Alenio Consulting's growth over the next three years.

Alenio Consulting AB was established in 2014, has 11 co-workers and sales in 2018 of SEK 13.3 million, with an operating profit of SEK 0.9 million.

PURCHASE PRICE, SEK thousands		Third Base AB	Net asset value SEK thousands		B3 Digital Worklife AB	PURCHASE PRICE, SEK thousands		Reach Consulting AB
Purchase price, cash		25.669	Fair value, previously owned share*		201	Purchase price, cash*		5.324
			Minority		25			
<b>Total purchase price</b>		<b>25.669</b>	<b>Total</b>		<b>226</b>	<b>Total purchase price</b>		<b>5.324</b>
<b>Fair value of acquired assets and liabilities</b>			<b>Fair value of acquired assets and liabilities</b>			<b>Fair value of acquired assets and liabilities</b>		
		100%			100%			100%
Non-current assets		317	Non-current assets		0	Non-current assets		58
Current assets excluding cash		9.689	Current assets excluding cash		1.923	Current assets excluding		7.281
Cash and bank balances including current investments		793	Cash and bank balances including current investments		311	Cash and bank balances including current investments		-24
Liabilities		-9.581	Liabilities		-2.008	Liabilities		-5.351
<b>Net identifiable assets and liabilities</b>		<b>1.218</b>	<b>Net identifiable assets and liabilities</b>		<b>226</b>	<b>Net identifiable assets and liabilities</b>		<b>1.964</b>
Purchase price		25.669	*Conditional shareholder's contribution included in the amount			Purchase price at 100%		5.324
Minority share, fair value		12.989				Minority share, fair value		2.867
Fair value of identifiable net assets		1.218				Fair value of identifiable net assets		1.964
<b>Goodwill</b>		<b>37.440</b>				<b>Goodwill</b>		<b>6.227</b>
<b>Impact of the acquisition on the Group's cash and cash equivalents</b>			<b>Impact of the acquisition on the Group's cash and cash equivalents</b>			<b>Impact of the acquisition on the Group's cash and cash equivalents</b>		
Cash consideration paid		-25.669	Cash consideration paid		-5.324	Cash consideration paid		-5.324
Cash and cash equivalents in acquired subsidiaries		793	Cash and cash equivalents in acquired subsidiary		-24	Cash and cash equivalents in acquired subsidiary		-24
<b>Change in Group's cash and cash equivalents on acquisition</b>		<b>-24.876</b>	<b>Change in Group's cash and cash equivalents on acquisition</b>		<b>-5.348</b>	<b>Change in Group's cash and cash equivalents on acquisition</b>		<b>-5.348</b>

\*Conditional shareholder's contribution included in the amount

## NOTE 5 OPERATING SEGMENTS AND BREAKDOWN OF REVENUE

An operating segment is a part of the Group that conducts operations from which it can generate income and incur expenses, and for which separate financial information is available. As of 1 January 2018, B3's companies are broken down into four business areas for better development of the services and use of business opportunities. The Group currently only conducts operations in Sweden. For further description of the business areas please refer to page 5 onwards.

Segment reporting	Digital Management		Digital Innovation		Digital Infra		Nord		Other <sup>1</sup>		Total	
	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017
Revenue from external clients	76.6	94.1	62.1	41.7	42.5	32.0	18.5	16.1	3.7	4.3	203.5	188.2
Revenue from other segments	2.2	0.8	-0.4	0.7	1.5	-0.2	0.8	-0.5	-4.0	-0.8		
<b>Total revenue</b>	<b>78.8</b>	<b>94.9</b>	<b>61.7</b>	<b>42.4</b>	<b>44.0</b>	<b>31.8</b>	<b>19.3</b>	<b>15.6</b>	<b>-0.3</b>	<b>3.5</b>	<b>203.5</b>	<b>188.2</b>
<b>Operating profit</b>	<b>6.0</b>	<b>13.5</b>	<b>6.9</b>	<b>3.9</b>	<b>1.5</b>	<b>0.8</b>	<b>0.7</b>	<b>-1.1</b>	<b>-0.9</b>	<b>2.2</b>	<b>14.2</b>	<b>19.3</b>
<b>Operating margin</b>	<b>7.6%</b>	<b>14.2%</b>	<b>11.2%</b>	<b>9.2%</b>	<b>3.4%</b>	<b>2.5%</b>	<b>3.6%</b>	<b>-7.1%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>7.0%</b>	<b>10.3%</b>

<sup>1</sup>Other includes group eliminations, group adjustments and parent company

Segment reporting	Digital Management		Digital Innovation		Digital Infra		Nord		Other <sup>1</sup>		Total	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external clients	306.4	294.3	203.4	139.9	137.9	111.8	63.4	54.8	15.2	19.1	726.3	619.7
Revenue from other segments	7.4	1.8	10.6	1.6	10.5	1.6	3.4	0.7	-31.9	-5.7		
<b>Total revenue</b>	<b>313.8</b>	<b>296.1</b>	<b>214.0</b>	<b>141.4</b>	<b>148.4</b>	<b>113.4</b>	<b>66.8</b>	<b>55.5</b>	<b>-16.7</b>	<b>13.4</b>	<b>726.3</b>	<b>619.7</b>
<b>Operating profit</b>	<b>25.2</b>	<b>30.3</b>	<b>20.9</b>	<b>4.2</b>	<b>4.8</b>	<b>2.4</b>	<b>1.7</b>	<b>-2.0</b>	<b>-5.5</b>	<b>1.9</b>	<b>47.1</b>	<b>36.8</b>
<b>Operating margin</b>	<b>8.0%</b>	<b>10.2%</b>	<b>9.8%</b>	<b>3.0%</b>	<b>3.2%</b>	<b>2.1%</b>	<b>2.5%</b>	<b>-3.6%</b>	<b>n.a.</b>	<b>14.2%</b>	<b>6.5%</b>	<b>5.9%</b>

<sup>1</sup>Other includes group eliminations, group adjustments and parent company

Revenue broken down by segment and industry	Digital Management		Digital Innovation		Digital Infra		Nord		Other <sup>1</sup>		Total	
	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017	Q4 2018	Q4 2017
Revenue from external clients	76.6	94.1	62.1	41.7	42.5	32.0	18.5	16.1	3.7	4.3	203.5	188.2
Revenue from other segments	2.2	0.8	-0.4	0.7	1.5	-0.2	0.8	-0.5	-4.0	-0.8	0.0	0.0
<b>Total revenue</b>	<b>78.8</b>	<b>94.9</b>	<b>61.7</b>	<b>42.4</b>	<b>44.0</b>	<b>31.8</b>	<b>19.3</b>	<b>15.6</b>	<b>-0.3</b>	<b>3.5</b>	<b>203.5</b>	<b>188.2</b>
<b>Industry sector</b>												
Government agency, municipality	17.5	23.0	4.0	4.7	16.8	13.0	12.7	12.9	0.6	5.9	51.7	59.5
Banking, finance, insurance	24.3	30.6	6.6	6.6	4.2	4.5	0.0	0.0	1.3	-5.3	36.4	36.5
Care	11.5	14.0	2.3	2.4	1.0	1.2	0.6	0.2	0.9	0.7	16.3	18.4
IT, media, entertainment	0.2	1.9	23.4	11.6	6.0	4.7	0.7	0.3	2.2	2.4	32.6	20.9
Industry	4.4	3.5	6.6	3.3	6.1	4.2	2.8	2.1	-3.0	-1.6	16.9	11.5
Transport/Logistics	4.7	8.1	2.2	1.7	1.7	0.6	0.8	0.5	2.6	1.2	12.0	12.2
Telecoms	6.3	6.0	2.8	2.7	2.5	0.7	0.0	0.0	1.6	0.4	13.2	9.8
Trade	2.5	2.3	5.6	1.4	1.1	0.5	0.4	0.0	-1.8	0.5	7.7	4.7
other	5.3	4.6	8.6	7.4	3.1	2.4	0.4	0.2	-0.6	0.1	16.7	14.7
<b>Total revenue</b>	<b>76.6</b>	<b>94.1</b>	<b>62.1</b>	<b>41.7</b>	<b>42.5</b>	<b>32.0</b>	<b>18.5</b>	<b>16.1</b>	<b>3.8</b>	<b>4.3</b>	<b>203.5</b>	<b>188.2</b>

Revenue broken down by segment and industry	Digital Management		Digital Innovation		Digital Infra		Nord		Other <sup>1</sup>		Total	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Revenue from external clients	306.4	294.3	203.4	139.9	137.9	111.8	63.4	54.8	15.2	19.1	726.3	619.7
Revenue from other segments	7.4	1.8	10.6	1.6	10.5	1.6	3.4	0.7	-31.9	-5.7	0.0	0.0
<b>Total revenue</b>	<b>313.8</b>	<b>296.1</b>	<b>214.0</b>	<b>141.5</b>	<b>148.4</b>	<b>113.4</b>	<b>66.8</b>	<b>55.5</b>	<b>-16.7</b>	<b>13.4</b>	<b>726.3</b>	<b>619.7</b>
<b>Industry sector</b>												
Government agency, municipality	69.9	58.7	14.3	19.7	53.6	41.1	46.4	44.2	14.2	-8.8	198.3	154.9
Banking, finance, insurance	99.8	94.0	27.1	22.0	15.5	14.3	0.0	0.0	2.2	5.9	144.5	136.3
Care	43.8	50.0	9.9	4.7	4.8	7.7	1.6	0.9	-0.6	11.1	59.6	74.4
IT, media, entertainment	3.6	7.8	72.4	37.9	18.1	15.3	2.2	1.4	-4.1	-6.6	92.2	55.8
Industry	12.7	9.2	17.7	8.3	19.6	13.7	8.7	6.2	-1.3	-0.2	57.4	37.2
Transport/Logistics	27.3	26.6	6.9	7.2	7.5	4.0	2.1	1.6	4.8	10.2	48.7	49.6
Telecoms	22.4	22.6	10.4	9.0	6.7	2.7	0.0	0.0	-0.2	9.0	39.2	43.4
Trade	7.9	8.8	12.4	7.8	2.4	2.3	1.2	0.0	-2.9	-6.5	21.1	12.4
other	19.1	16.6	32.4	23.3	9.6	10.6	1.1	0.5	3.2	4.8	65.4	55.8
<b>Total revenue</b>	<b>306.4</b>	<b>294.3</b>	<b>203.4</b>	<b>139.9</b>	<b>137.9</b>	<b>111.8</b>	<b>63.4</b>	<b>54.8</b>	<b>15.2</b>	<b>18.9</b>	<b>726.3</b>	<b>619.7</b>

**NOTE 6 TRANSACTIONS WITH RELATED PARTIES**

None of the shareholders, board members, senior management or related parties of B3 Consulting Group AB (publ) have had any direct or indirect participation in any business transactions with the company that are or were unusual by their nature or in terms of their conditions. Nor has the company granted loans, issued guarantees or surety bonds to or for the benefit of any of the shareholders, board members, senior management or related parties. Agreements on services with related parties, including associated companies, are on a commercial basis. No transactions that have had a material impact on the Group's financial position and performance have taken place between B3 Consulting Group AB (publ) and related parties.

During the period a supplementary purchase price was paid by agreement in connection with the acquisition of Sentensia Q AB in July 2017. The total purchase price is based on the acquired company's performance in 2017 and 2018. In 2017 B3 Sentensia AB performed better than expected and the supplementary purchase price for 2017 totalled SEK 6 million, SEK 1 million of which is charged to the Group's operating profit for the first half of 2018.

During the period B3 Consulting Group AB (publ) acquired the remaining 17.9 per cent of the shares in B3 Visab Holding AB, in accordance with a shareholder's agreement, giving B3 Consulting Group AB (publ) 100 per cent of the shares in B3 Visab Holding AB.

In accordance with a resolution passed by the Annual General Meeting on 15 May 2018, B3 Consulting Group AB (publ) acquired a further ten per cent of the subsidiary B3 Digital Worklife AB and now owns 60 per cent of the company. B3 Consulting Group AB (publ) subsequently, as at 19 December 2018, sold 100 per cent of the shares in the wholly-owned subsidiary B3 Göteborg AB to Digital Worklife AB.

In accordance with a resolution passed by the Annual General Meeting on 15 May 2018 B3 Consulting Group AB (publ), as at 14 January 2019, sold 100 per cent of the wholly-owned subsidiary B3 Digital Xperience AB to the subsidiary Rebel & Bird AB. B3 Consulting Group AB (publ) owns 51 per cent of Rebel & Bird.

**NOTE 7 SEASONAL VARIATIONS**

In general, the first and second quarters have a relatively even work rate. The third quarter includes most of the holiday period and the fourth quarter is the most work-intensive. The number of working days in the fourth quarter of 2018 was 57, compared with 58 in the same period of the previous year, including a deduction for 25 days of holiday.