



Interim report. 1 January to 30 June 2019

21 August. 2019

# Continued growth in a weaker market

## – with increased focus on profitability

### Second quarter, April – June 2019

- Sales amount to SEK 207.0 (188.5) million, giving growth of 9.8 (23.9) per cent
- Operating profit (EBIT) is SEK 3.4 (10.6) million, giving an operating margin of 1.6 (5.6) per cent
- Profit after tax is SEK 0.7 (6.6) million.
- Earnings per share before and after dilution amount to SEK- 0.01 (0.67)

### First half year, January – June 2019

- Sales amount to SEK 423.8 (372.3) million, giving growth of 13.8 (23.4) per cent
- Operating profit (EBIT) is SEK 18.7 (24.9) million, giving an operating margin of 4.4 (6.7) per cent
- Profit after tax is SEK 11.3 (15.9) million.
- Earnings per share before and after dilution amount to SEK 1.05 (1.75)

	Second quarter, April - June			First half year, January - June			Full year
	2019	2018	Change	2019	2018	Change	2018
Net sales, SEK million	207.0	188.5	9.8%	423.8	372.3	13.8%	726.3
EBITDA, SEK million	9.1	12.4	-26.7%	30.9	28.5	8.4%	54.1
EBITDA margin	4.4%	6.6%		7.3%	7.7%		7.4%
Operating profit (EBIT), SEK million	3.4	10.6	-67.9%	18.7	24.9	-24.9%	47.1
Operating margin (EBIT)	1.6%	5.6%		4.4%	6.7%		6.5%
Profit after tax, SEK million	0.7	6.6	-89.4%	11.3	15.9	-28.9%	28.3
Earnings per share, SEK	-0.01	0.67	n.a.	1.05	1.75	-40.0%	3.15
Number of co-workers, closing balance	669	540	129	669	540	129	609
Average number of co-workers	659	535	124	642	520	122	547

The table shows an extract from B3's key figures. See Note 3 for a table and definitions of key figures. The performance measures are impacted by the transition to IFRS 16 "Leases". See further Note 1.

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Co-founder and Chief Executive Officer Sven Uthorn:

## Continued growth in a weaker market

### – with increased focus on profitability



B3 Consulting Group continues its growth journey through the second quarter, to a new second quarter revenue record of SEK 207 million, the second highest quarterly figure in the company's history.

However, this was a weak quarter in terms of profit, with an EBIT figure of SEK 3.4 million. This is due to a weakening in parts of our market, at the same time as we have fulfilled some of our offensive growth initiatives.

#### *Market*

It is above all in the public sector – normally about a third of our business – where we have experienced weakening demand. Many of our customers are hindered in their digitalisation efforts by savings requirements and prolonged decision-making and procurement processes. This has primarily had a negative effect on our Digital Management business area, but also to some extent Digital Infra. To counter this, we are working on refocusing on customers in other sectors, with higher pressure on their change process and higher demand for qualified consulting services. Moreover, we also perceive a general weakening of demand in the market, mainly referring to project management and operations development.

At the same time we are pleased to report continued strong development in the Digital Innovation business area, with vigorous growth and enhanced profitability in the first half year. The improved delivery capacity we have achieved from acquisitions and recruitments is meeting continued sound demand in the industry and trade sectors, as well as media and entertainment. The Nord business area is also developing well.

#### *Offensive initiatives*

Performance is also impacted in the short term by our offensive initiatives: We have continued to invest in recruitment and are pleased to report a net increase of 60 co-workers in the first half year. Through our Rising Star programme, which we rolled out in the spring, for the first time we took a structured approach to recruitment and development of new co-workers at the start of their consulting career. In addition, we have augmented sales and management. In the period we have also worked on implementing a new ERP system – an investment in more effective administrative flows and subsequent utilisation of cost synergies and economies of scale in acquisitions made.

#### *A new phase in the company's development*

To manage the rapid growth during which we have increased operations tenfold in ten years, in recent years we have invested in our brand, stock market listing, delivery capability, support systems, sales and recruitment capacity and leadership – all in order to ensure high quality, satisfied customers and co-workers and enable continued growth.

On this basis, we are now entering a new phase, when we will have a strong focus on operational efficiency and gradual strengthening of profit generation. This means reviewing our organisation, client priorities and working methods and adapting to a partially changed market picture.

At the same time we intend to maintain momentum in our business development of operations that are developing well.

#### *Nuway*

In conclusion I would like to mention the acquisition of Nuway as at 1 July 2019. The company, with its 50 co-workers, spread between Stockholm and Malmö, will mean a further strengthening of our already strong offer in systems development. This is a truly entrepreneurial company, which has grown fast in its three-year history. In its first half year in 2019 the company achieved sales of SEK 28 million and an operating profit of SEK 4.6 million.

We extend a warm welcome to all our new co-workers and look forward to an exciting autumn.

*Sven Uthorn*

**SEK 207**  
million. revenue record  
for Q2

**24%**  
more co-workers  
Q219 compared with  
Q218

**Focus**  
operational  
efficiency and profit  
generation

## Important events during the period

- 94 per cent of co-workers consider that B3 is a very good workplace. according to this year's GPTW, Great Place To Work, results
- B3 signs framework agreement with the Association of Local Authorities in Västernorrland in the area of RPA. Robotic Process Automation
- B3 is helping Region Dalarna to introduce AI in health and social services
- Anne Ek recruited as new HR manager of B3 Consulting Group. Anne's most recent position was HR Business Partner in Scandic Hotels
- B3 has signed an agreement to acquire 58 per cent of the consulting company Nuway AB with 50 co-workers on 1 July 2019
- B3 is augmenting its Board with the new members Kristin Lindmark and Anna Hjertstedt
- B3 acquires all minority shareholdings in B3 Insight AB and B3 Summit AB in accordance with a decision at the annual general meeting
- The Board of Directors proposes a dividend of SEK 2.25 (2.17) per share, totalling SEK 16.7 (16.1) million
- As at 1 January 2019 B3 will conclude the acquisition of 60 per cent of the management consultant company Alenio Consulting AB

## Important events after the close of the period

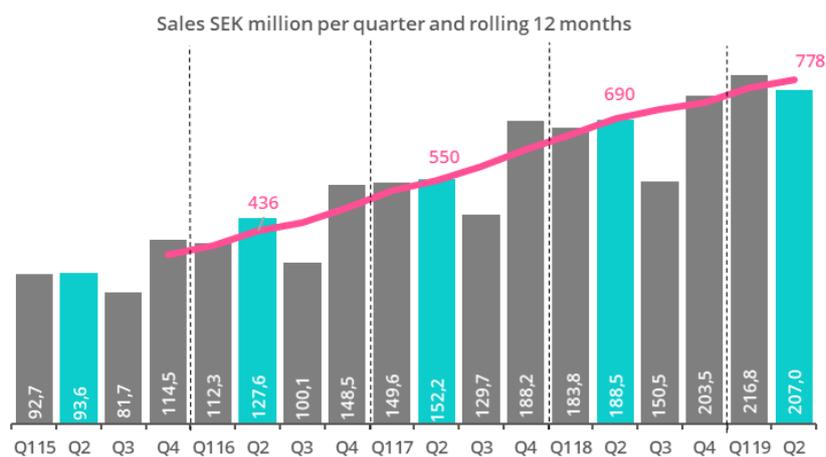
- Lotta Wiberg recruited as new business development consultant and sales manager of B3's fastest growing business area, Digital Innovation. Lotta's most recent position was sales manager at Creuna Sverige

## Group

### Second quarter. April – June 2019

#### Revenue and profit

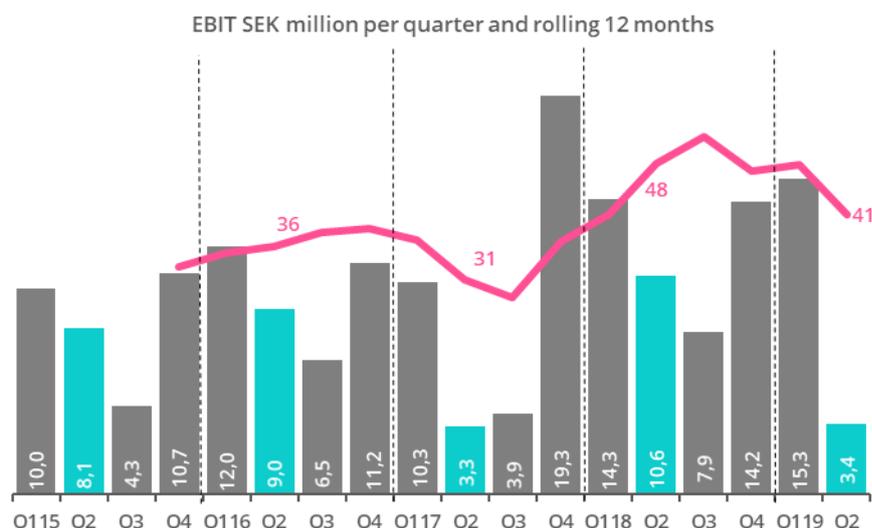
Sales in the fourth quarter were SEK 207.0 (188.5) million. Growth was 9.8 (23.9) per cent. The relatively lower growth rate is mainly due to continued restraint in the public sector, but also to weaker demand in the market mainly for project management and operations development. Sub-consultants are used for a small part of the business. amounting during the quarter to 7.3 (11.3) per cent of sales.



Total operating expenses in the quarter were SEK 203.3 (178.5) million. Staff costs were SEK 153.0 (127.2) million, corresponding to 73.9 (67.5) per cent of sales. The change relates mainly to poorer capacity utilisation in the part of the market that reported weaker growth and from long-term growth initiatives in sales and management, including the Rising Star programme to give new co-workers a good start in their consulting career.

The operating profit for the quarter amounted to SEK 3.4 (10.6) million. The operating margin is 1.6 (5.6) per cent. For higher operational efficiency and profit generation, changes are being made in organisational structure, client priorities and working methods.

IFRS 16 "Leases" has increased the operating profit by SEK 0.5 million for the quarter. To see how IFRS 16 impacts other performance indicators and the balance sheet please refer to Note 1.



### First half year, January - June 2019

#### Revenue and profit

During the period sales were SEK 423.8 (372.3) million. Growth was 13.8 (23.4) per cent. The increase in revenue is mainly due to improved delivery capability as a result primarily of recruitment and to some extent acquisitions. Sub-consultants are used for a small part of the business, amounting during the period to 7.1 (11.4) per cent of sales.

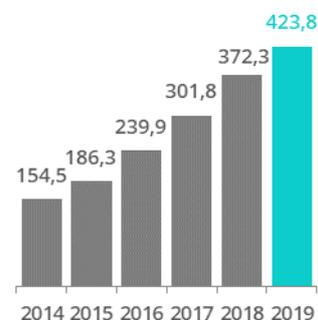
Total operating expenses in the period were SEK 405.7 (348.4) million. Staff costs were SEK 304.8 (251.3) million, corresponding to 71.9 (67.5) per cent of sales. The change relates mainly to poorer capacity utilisation in the part of the market that reported weaker growth in the half year.

The operating profit for the period is SEK 18.7 (24.9) million. The earnings trend is affected by long-term growth initiatives in sales and management, including the Rising Star programme for new co-workers. In addition, there have been acquisitions of Alenio Consulting AB and all minority shareholdings in B3 Insight AB and B3 Summit AB. In addition, in 2019 a new ERP system was introduced and the website was developed and launched in the autumn. The operating margin is 4.4 (6.7) per cent.

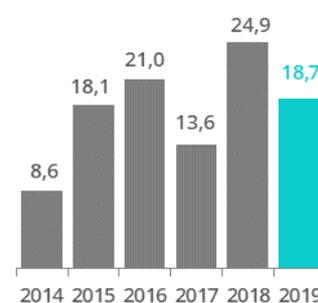
In connection with the acquisition of Sentensia in 2017, a supplementary purchase price was agreed, based on the company's growth in 2017 and 2018. Profit for 2019 was charged with a SEK 1.5 million supplementary purchase price for Sentensia, as growth in 2018 was better than expected.

IFRS 16 "Leases" has increased the operating profit by SEK 0.9 million for the quarter. To see how IFRS 16 impacts other performance indicators and the balance sheet please refer to Note 1.

Sales SEK million, first half year



EBIT first half year, SEK million



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 first half year of 2019 was 122, compared with 123 in the same period of the previous year. One working day is equivalent to about SEK 2.9 million in sales and about SEK 1.0 million in profit.

#### Segment reporting

General trend for the business areas. For a detailed list of the segments' revenue and profit, please see further Note 2.

#### Digital Management business area

The business area offers services in operations development, digital transformation, change leadership, decision support etc. Digital Management accounts for 38 (45) 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 160.6 (172.4) million, with an operating profit of SEK 6.3 (15.3) million. Growth for the business area was -6.8 (24.7) per cent, with an operating margin of 3.9 (8.9) per cent. The weaker growth since late autumn of 2018 primarily refers to continued restraint in the government agency and municipal sector. The development in the business area is also impacted by a change in demand in the market, mainly for project management and operations development. Since January 2019 the acquisition of Alenio is included in the business area. A new business area manager joined the company in the second quarter of 2019, focusing on developing operations and increasing profitability.

#### Digital Innovation business area

The business area is focused on development of application software, digital customer experiences, products and services. During the period the continued vigorous growth of the business area, 52.5 (40.4) per cent, led to Digital Innovation now accounting for 35 (26) per cent of the Group's sales.

Digital Innovations sales improved by SEK 52 million to SEK 151.0 (99.0) million and the operating profit improved by SEK 5.8 million to SEK 13.1 (7.3) million, which gives an operating margin of 8.7 (7.4) per cent, thanks to sound demand and high capacity utilisation. Apart from growth in the IT, media, entertainment and industry sectors, growth is also impacted by acquisitions in 2018. In November 2018 Reach Consulting was acquired, with operations in Jönköping and Linköping and a focus on technology consulting and systems development, above all for the industrial sector. As at 1 July, the acquisition of Nuway is included in the business area. In August 2019 a new business development and sales manager took over for the business area.

#### Digital Infra business area

The business area offers services relating to effective, secure, scalable and accessible infrastructure. Digital Infra accounts for 18 (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 sales for the period were SEK 76.5 (74.8) million, with an operating profit of SEK 0.0 (3.2) million. Growth amounts to 2.3 (28.1) per cent, with an operating margin of 0.0 (4.2) per cent. The business area's growth is mainly affected by restraint in the government agency and municipal sector.

#### Nord business area

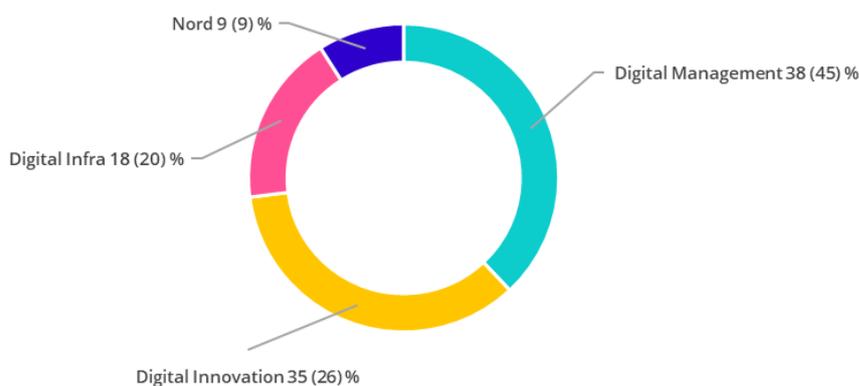
The business area consists of geographically coherent companies with a focus on developing B3's operations in the local client markets of Sundsvall, Gävle and Borlänge. Nord accounts for 9 (9) per cent of the Group's sales.

EBIT-margin first half year, %



Nord's full year sales were SEK 37.9 (34.2) million, with growth of 10.8 (16.8) per cent. The operating profit was strengthened to SEK 1.7 (0.8) million, which gives an operating margin of 4.5 (2.3) per cent. Business is impacted by developments in the public sector and is gradually expanding into industry.

Share of revenue per business area, first half year 2019 (2018)



#### Cash flow and financial position

The Group's cash flow in the period amounts to SEK -4.3 (-0.5) million. Cash flow from operating activities was SEK 25.1 (41.8) million, where the operations had a positive cash flow of SEK 181.1 (13.0) million and working capital changed by SEK 7.0 (28.8) million. In the first half year liabilities to staff increase, and then decrease in the third quarter in connection with annual leave. This is of great importance to staff-intensive companies' working capital. Investing activities impacted the Group's cash flow by SEK -10.2 (-35.0) million, which is mainly attributable to acquisition of the management consultancy company Alenio Consulting AB, supplementary purchase price for the acquisition of Sentensia Q AB and acquisition of the outstanding subsidiaries in B3 Insight AB and B3 Summit AB. In the corresponding period in the previous year the consulting company Third Base AB was acquired. Financing activities give a negative cash flow of SEK 19.2 (7.4) million, where amortisation of loans constitutes the greatest change compared to the previous year. The cash flow is impacted by loans raised of SEK 19.0 (19.0) million and dividend of SEK 19.4 (17.8) million.

The Group's cash and cash equivalents amounted to SEK 17.8 (17.5) million as at 30 June. Cash and cash equivalents as at 31 March amounted to SEK 22.2 (28.4) million.

Equity at the close of the period was SEK 116.2 (107.4) million. As at 30 June the Group's net debt was SEK 60.6 (38.3) million. Net debt as a percentage of EBITA on a rolling 12-month basis is 1.5 (0.8). 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 23.9 (28.0) per cent.

#### Investments

The Group's net investments in the period amount to SEK 8.1 (31.7) million, which mainly refers to the acquisition of the management consulting company Alenio and the acquisition of minority shareholdings in subsidiaries. The previous year's figure was mainly made up of the acquisition of Third Base.

**24%**

equity/assets ratio  
on 30 June

**129**

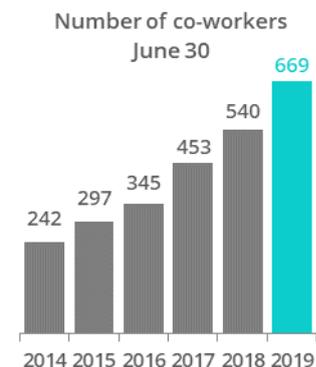
more co-workers in  
the past year

### Co-workers

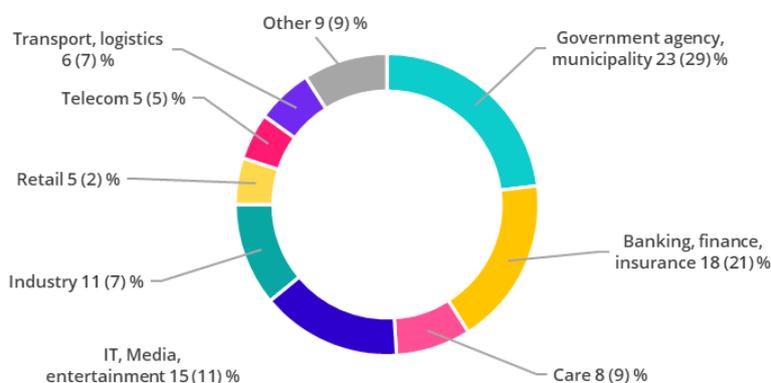
B3's net recruitment was 60 (47) co-workers during the period. As at 30 June the number of co-workers is 669 (540).

### 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.



Share of revenue per industry, rolling 12 months Q318-Q219 (Q317-Q218)



## 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 IT, accounting, administration, HR and marketing. The parent company is also responsible for the overall offer in relation to major framework agreement clients.

### Second quarter. April – June 2019

#### Revenue and profit

The parent company's net sales in the quarter amounted to SEK 38.3 (32.3) 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 65.8 (53.5) 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 0.1 (-0.3) million.

### First half year. January – June 2019

#### Revenue and profit

The parent company's net sales in the period amounted to SEK 75.5 (64.7) 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 126.4 (101.5) 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 0.2 (-0.8) million.

#### Financial position

Cash and cash equivalents amounted to SEK 9.6 (13.2) million as at 30 June. 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 35 million has been used. To further increase flexibility when financing acquisitions, in November 2018 the company signed a three-year term facility agreement for SEK 40 million, of which SEK 2.5 million was amortised in June 2019. The parent company's equity amounts to SEK 170.5 (136.1) million. On 30 June 2019 the company had net debt of SEK 62.9 (23.8) million. The equity/assets ratio is 46.3 (43.9) per cent.

## The B3 share

The B3 share has been listed on Nasdaq Stockholm since December 2016. As at 30 June 2019 there is a total of 7,521,875 shares and the same number of votes, distributed among 2,284 shareholders. Share capital amounts to SEK 752,187.50.

**2,284**

shareholders in B3

## 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. On 16 May 2019 the Annual General Meeting resolved on an increased dividend of SEK 2.25 (2.17) per share, totalling SEK 16.7 (16.1) million. Payment was on 23 May 2019.

**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 that, with 2015 as a base, 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, excluding IFRS 16 "Leases" 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 the control of the company. Material risks and uncertainties are described in the Annual Report for 2018 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

B3 has signed an agreement to acquire 58 per cent of the consulting company Nuway AB with 50 co-workers on 1 July 2019. Nuway was established in 2016 and is a consulting company offering specialist skills in systems development with operations in Malmö and Stockholm. The acquired company will have the new name B3 Nuway AB.

**B3 acquires  
Nuway**

## Calendar

Interim report Q3, January-September 2019      6 November 2019  
Year-end report 2019      20 February 2020

## Signing of the report

The Board of Directors and President certify that the interim report for the second quarter and first half 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.

The interim report has not been subject to review.

Stockholm, 21 August 2019

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

Henrik Holm  
Chairman of the Board

Alf Blomqvist  
Member of the Board

Anna Hjertstedt  
Member of the Board

Kristin Lindmark  
Member of the Board

Marika Skärvik  
Member of the Board

Sven Uthorn  
Co-founder and  
Member of the Board

## Presentation of the report

A webcast presentation will be available in Swedish 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 "Se alla" under "Rapporter och presentationer". 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 650 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

CONSOLIDATED INCOME STATEMENT	April -- June		January -- June		January - December
	2019	2018	2019	2018	2018
<b>SEK MILLION</b>					
Net sales	207.0	188.5	423.8	372.3	726.3
Other operating income	-0.3	0.6	0.6	1.0	1.7
<b>Operating revenue etc.</b>	<b>206.7</b>	<b>189.1</b>	<b>424.4</b>	<b>373.3</b>	<b>728.0</b>
Engagement-specific external expenses	-21.6	-27.9	-46.0	-54.4	-103.4
Other external expenses	-23.0	-20.8	-41.2	-38.2	-74.3
Supplementary purchase price for business combination <sup>1</sup>	0.0	-1.0	-1.5	-1.0	-1.0
Staff costs	-153.0	-127.2	-304.8	-251.3	-495.5
Depreciation/amortisation and impairment	-5.7	-1.8	-12.2	-3.6	-7.0
Other operating expenses	0.0	0.2	0.0	0.1	0.3
<b>Operating profit</b>	<b>3.4</b>	<b>10.6</b>	<b>18.7</b>	<b>24.9</b>	<b>47.1</b>
<b>Profit from financial investments</b>					
Financial income	0.0	0.1	0.0	0.1	-
Profit from investments in associated companies	-0.8	-0.6	-1.0	-1.3	-4.0
Financial expenses	-1.1	-0.4	-1.8	-1.1	-2.7
<b>Profit after financial items</b>	<b>1.6</b>	<b>9.7</b>	<b>16.0</b>	<b>22.6</b>	<b>40.4</b>
Tax	-0.9	-3.1	-4.7	-6.7	-12.1
<b>PROFIT FOR THE PERIOD</b>	<b>0.7</b>	<b>6.6</b>	<b>11.3</b>	<b>15.9</b>	<b>28.3</b>
Income for the period attributable to:					
Parent company's shareholders	-0.1	5.0	7.8	13.0	23.4
Non-controlling interests	0.8	1.6	3.5	2.9	4.9
<b>PROFIT FOR THE PERIOD</b>	<b>0.7</b>	<b>6.6</b>	<b>11.3</b>	<b>15.9</b>	<b>28.3</b>
Earnings per share before dilution, SEK <sup>2</sup>	-0.01	0.67	1.05	1.75	3.15
Earnings per share after dilution, SEK <sup>2</sup>	-0.01	0.67	1.05	1.75	3.15
<b>CONSOLIDATED COMPREHENSIVE INCOME, SEK MILLION</b>					
<b>Profit for the period</b>	<b>0.7</b>	<b>6.6</b>	<b>11.3</b>	<b>15.9</b>	<b>28.3</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>-</b>
<b>Comprehensive income for the period</b>	<b>0.7</b>	<b>6.6</b>	<b>11.3</b>	<b>15.9</b>	<b>28.3</b>
Comprehensive income for the period attributable to:					
Parent company's shareholders	-0.1	5.0	7.8	13.0	23.4
Non-controlling interests	0.8	1.6	3.5	2.9	4.9
<b>Comprehensive income for the period</b>	<b>0.7</b>	<b>6.6</b>	<b>11.3</b>	<b>15.9</b>	<b>28.3</b>

<sup>1</sup> The amount refers to remeasurement of the liability for supplementary purchase price for the acquisition in 2017 of all shares in Sentensia Q AB. Under International Financial Reporting Standards, IFRS, the B3 Consulting Group must recognise this remeasurement of supplementary purchase price as an expense in the business.

<sup>2</sup> Attributable to the parent company's shareholders (before and after dilution).

CONSOLIDATED BALANCE SHEET	30 June	30 June	31 December
SEK MILLION	2019	2018	2018
<b>ASSETS</b>			
<i>Non-current assets.</i>			
Intangible fixed assets	170.7	148.7	158.5
Right-of-use assets	48.2		-
Property, plant and equipment	25.6	23.1	29.7
Deferred tax assets	4.1	5.5	3.1
Other long-term receivables	4.6	4.2	4.8
Investments in associated companies	7.1	5.2	8.0
<b>Total non-current assets</b>	<b>260.3</b>	<b>186.7</b>	<b>204.1</b>
<i>Current assets</i>			
Work in progress	0.8	-	-
Trade receivables	156.6	144.0	157.9
Receivables from associated companies	2.5	0.7	1.7
Current tax assets	29.1	23.1	18.5
Other receivables	4.2	0.7	8.0
Prepaid expenses and income	15.2	11.3	13.4
Cash and cash equivalents	17.8	17.5	22.1
<b>Total current assets</b>	<b>226.2</b>	<b>197.3</b>	<b>221.6</b>
<b>TOTAL ASSETS</b>	<b>486.5</b>	<b>384.0</b>	<b>425.7</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
Share capital	0.8	0.7	0.7
Other contributed capital	60.6	53.9	53.9
Retained earnings including profit/loss for the year	21.3	27.1	38.3
<b>Equity attributable to the parent company shareholders</b>	<b>82.7</b>	<b>81.7</b>	<b>92.9</b>
Non-controlling interests	33.5	25.7	29.5
<b>Total equity</b>	<b>116.2</b>	<b>107.4</b>	<b>122.4</b>
<i>Non-current liabilities</i>			
Deferred tax liabilities	1.7	2.9	1.8
Other provisions	0.4	1.0	0.2
Interest-bearing non-current liabilities*	110.1	47.3	48.1
Other non-current liabilities	14.2	14.3	14.1
<b>Total non-current liabilities</b>	<b>126.4</b>	<b>65.5</b>	<b>64.2</b>
<i>Current liabilities</i>			
Interest-bearing current liabilities*	32.6	8.5	31.4
Trade payables	23.5	32.3	35.0
Current tax liabilities	1.2	1.5	2.1
Liabilities to associated companies	1.6	1.3	1.9
Other current liabilities	120.7	116.3	116.8
Accrued expenses, deferred income	64.3	51.2	51.9
<b>Total current liabilities</b>	<b>243.9</b>	<b>211.1</b>	<b>239.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>486.5</b>	<b>384.0</b>	<b>425.7</b>

CHANGES IN EQUITY	SHARE CAPI- TAL	OTHER PAID-IN CAPI- TAL	ACCUMU- LATED PROFIT/ LOSS INCLUDING PROFIT FOR THE YEAR	TOTAL EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	NON- CONTROLLING INTERESTS	TOTAL EQUITY
<i>Group (SEK million)</i>						
<b>Opening equity as at 1 January 2018</b>	<b>0.7</b>	<b>53.9</b>	<b>41.4</b>	<b>96.0</b>	<b>14.7</b>	<b>110.7</b>
Profit for the period			13.0	13.0	2.9	15.9
Other comprehensive income for the period				-	-	-
<b>Comprehensive income for the period</b>			<b>13.0</b>	<b>13.0</b>	<b>2.9</b>	<b>15.9</b>
<i>Transactions with shareholders:</i>						
Dividend			-16.1	-16.1	-1.7	-17.8
Option redemption			6.4	6.4	0.0	6.4
Debt option acquisition			-14.1	-14.1		-14.1
growth through acquisition					12.9	12.9
Profit from the Group - minority						0.0
Change in shareholding in subsidiaries			-3.5	-3.5	-3.1	-6.6
<b>Total transactions with shareholders</b>			<b>-14.3</b>	<b>-14.3</b>	<b>11.0</b>	<b>-3.3</b>
<b>Closing equity as at 30 June 2018</b>	<b>0.7</b>	<b>53.9</b>	<b>27.1</b>	<b>81.7</b>	<b>25.7</b>	<b>107.4</b>

CHANGES IN EQUITY	SHARE CAPI- TAL	OTHER PAID-IN CAPI- TAL	ACCUMU- LATED PROFIT/ LOSS INCLUDING PROFIT FOR THE YEAR	TOTAL EQUITY ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS	NON- CONTROLLING INTERESTS	TOTAL EQUITY
<i>Group (SEK million)</i>						
<b>Opening equity as at 1 January 2019</b>	<b>0.7</b>	<b>53.9</b>	<b>38.3</b>	<b>92.9</b>	<b>29.5</b>	<b>122.4</b>
Changed accounting policies IFRS 16			-1.4	-1.4	0.0	-1.4
<b>Opening equity as at 1 January 2019 including effects of changed accounting policies</b>	<b>0.7</b>	<b>53.9</b>	<b>36.9</b>	<b>91.5</b>	<b>29.5</b>	<b>121.0</b>
Profit for the period			7.8	7.8	3.5	11.3
Other comprehensive income for the period				-	-	-
<b>Comprehensive income for the period</b>			<b>7.8</b>	<b>7.8</b>	<b>3.5</b>	<b>11.3</b>
<i>Transactions with shareholders:</i>						
Dividend			-16.7	-16.7	-2.7	-19.4
growth through acquisition					3.6	3.6
New issue	0.1			0.1		0.1
New non-cash issue		6.7		6.7		6.7
Change in shareholding in subsidiaries			-6.6	-6.6	-0.4	-7.0
<b>Total transactions with shareholders</b>			<b>-23.3</b>	<b>-16.6</b>	<b>0.5</b>	<b>-16.1</b>
<b>Closing equity as at 30 June 2019</b>	<b>0.8</b>	<b>60.6</b>	<b>21.3</b>	<b>82.7</b>	<b>33.5</b>	<b>116.2</b>

<b>CONSOLIDATED CASH FLOW STATEMENT</b>	<b>1/4/ 2019</b>	<b>1/4/ 2018</b>	<b>1/1/ 2019</b>	<b>1/1/ 2018</b>	<b>1/1/ 2018</b>
<b>SEK MILLION</b>	<b>30/6/ 2019</b>	<b>30/6/ 2018</b>	<b>30/6/ 2019</b>	<b>30/6/ 2018</b>	<b>31/12/ 2018</b>
Operating profit	3.4	10.6	18.7	24.9	47.1
Adjustment for non-cash items	12.4	3.0	18.7	5.1	7.3
Interest received	0.0	0.1	0.0	0.1	0.1
Interest paid	-1.1	-0.4	-1.8	-1.1	-2.6
Income tax paid	-8.3	-8.0	-17.5	-16.0	-15.2
<b>Cash flow from operating activities</b>					
before change in working capital	6.4	5.3	18.1	13.0	36.7
Increase(-)/Decrease(+) in operating receivables	13.1	10.2	6.4	16.8	2.3
Increase(+)/Decrease(-) in operating liabilities	2.2	5.7	0.6	12.0	5.6
<b>Cash flow from operating activities</b>	<b>21.7</b>	<b>21.2</b>	<b>25.1</b>	<b>41.8</b>	<b>44.6</b>
<b>Investing activities</b>					
Business combinations	0.0	-6.3	-3.7	-31.2	-36.6
Acquisition of property, plant and equipment	-0.3	-0.1	-1.4	-0.3	-2.0
Acquisition of intangible fixed assets	-1.9	0.0	-3.0	0.0	-1.0
Shareholders' contributions paid to associated companies for the year	-0.5	-0.3	-2.1	-3.3	-9.2
Other changes in financial assets Deposits	0.0	-0.2	0.0	-0.2	-0.1
<b>Cash flow from investing activities</b>	<b>-2.7</b>	<b>-6.9</b>	<b>-10.2</b>	<b>-35.0</b>	<b>-48.9</b>
<b>Financing activities</b>					
Loans raised	10.0	0.0	19.0	19.0	59.0
Amortisation of loans	-7.0	-1.5	-11.8	-2.4	-26.6
Dividend paid to parent company shareholders	-16.7	-16.1	-16.7	-16.1	-16.1
Dividend paid to non-controlling interests	-2.7	-1.7	-2.7	-1.7	-1.7
Payment warrants	-	-	-	-	0.1
Transactions with non-controlling interests	-7.0	-5.9	-7.0	-6.1	-6.3
<b>Cash flow from financing activities</b>	<b>-23.4</b>	<b>-25.3</b>	<b>-19.2</b>	<b>-7.4</b>	<b>8.4</b>
<b>Change in cash and cash equivalents</b>	<b>-4.4</b>	<b>-10.9</b>	<b>-4.3</b>	<b>-0.5</b>	<b>4.1</b>
<b>Reconciliation of change in cash and bank balances</b>					
Opening balance cash and cash equivalents	22.2	28.4	22.1	18.0	18.0
Closing balance cash and cash equivalents	17.8	17.5	17.8	17.5	22.1
<b>Change in cash and cash equivalents</b>	<b>-4.4</b>	<b>-10.9</b>	<b>-4.3</b>	<b>-0.5</b>	<b>4.1</b>

## PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT IN	April -- June		January-June		January - December
SEK MILLION	2019	2018	2019	2018	2018
Net sales	38.3	32.3	75.5	64.7	125.3
Other revenue	27.5	21.2	50.9	36.8	72.0
<b>Operating revenue</b>	<b>65.8</b>	<b>53.5</b>	<b>126.4</b>	<b>101.5</b>	<b>197.3</b>
<b>Operating expenses</b>					
Engagement-specific external expenses	-39.9	-33.2	-78.1	-66.5	-128.0
Other external expenses	-13.4	-11.6	-27.6	-20.8	-41.7
Staff costs	-12.2	-8.9	-20.1	-14.7	-27.5
Depreciation/amortisation and impairment	-0.2	-0.2	-0.4	-0.3	-0.6
Other operating expenses	0.0	0.0	0.0	0.0	0.0
<b>Operating profit</b>	<b>0.1</b>	<b>-0.3</b>	<b>0.2</b>	<b>-0.8</b>	<b>-0.5</b>
<b>Profit from financial investments</b>					
Profit from investments in group companies	0.7	0.0	15.7	0.0	24.7
Other interest income and similar profit/loss items	0.0	0.1	0.0	0.2	0.3
Interest expense and similar profit/loss items	-0.2	0.0	-0.4	-0.3	-1.5
<b>Profit after financial items</b>	<b>0.6</b>	<b>-0.3</b>	<b>15.5</b>	<b>-1.0</b>	<b>23.0</b>
<i>Appropriations</i>					
Group contribution					6.3
Tax	-0.2	0.0	-0.2	-0.2	-1.4
<b>PROFIT FOR THE PERIOD</b>	<b>0.4</b>	<b>-0.3</b>	<b>15.3</b>	<b>-1.2</b>	<b>27.9</b>

PARENT COMPANY BALANCE SHEET	30 June	30 June	31 December
SEK MILLION	2019	2018	2018
<b>ASSETS</b>			
<i>Non-current assets</i>			
Intangible fixed assets	4.0		1.0
Property, plant and equipment	2.3	1.9	2.5
	<b>6.3</b>	<b>1.9</b>	<b>3.5</b>
<i>Financial assets</i>			
Investments in group companies	239.9	227.8	223.8
Receivables from Group companies	0.9	0.9	0.9
Investments in associated companies	13.6	7.9	13.4
Other long-term receivables	2.9	3.2	3.2
Deferred tax assets	0.7	1.9	0.7
	<b>258.0</b>	<b>241.7</b>	<b>242.0</b>
<b>Total non-current assets</b>	<b>264.3</b>	<b>243.6</b>	<b>245.5</b>
<i>Current assets</i>			
<i>Current receivables</i>			
Trade receivables	31.7	23.8	28.1
Receivables from Group companies	52.8	23.0	69.6
Receivables from associated companies	2.5	0.6	1.0
Tax assets	1.9	2.1	1.3
Other receivables	0.8	0.2	1.5
Prepaid expenses and accrued income	5.0	3.5	5.2
	<b>94.7</b>	<b>53.2</b>	<b>106.7</b>
<b>Cash and bank balances</b>	<b>9.6</b>	<b>13.2</b>	<b>14.4</b>
<b>Total current assets</b>	<b>104.3</b>	<b>66.4</b>	<b>121.1</b>
<b>TOTAL ASSETS</b>	<b>368.6</b>	<b>310.0</b>	<b>366.6</b>
<b>EQUITY AND LIABILITIES</b>			
<i>Equity</i>			
<i>Restricted equity</i>			
Share capital	0.8	0.7	0.7
Statutory reserve	0.0	0.0	0.0
	<b>0.8</b>	<b>0.7</b>	<b>0.7</b>
<i>Non-restricted equity</i>			
Retained earnings	154.4	136.5	136.5
Profit/loss for the year	15.3	-1.2	27.9
	<b>169.7</b>	<b>135.4</b>	<b>164.4</b>
<b>Total equity</b>	<b>170.5</b>	<b>136.1</b>	<b>165.1</b>
<i>Non-current liabilities</i>			
Liabilities to credit institutions	62.5	35.0	32.5
Other non-current liabilities	0.0	0.0	-
<b>Total non-current liabilities</b>	<b>62.5</b>	<b>35.0</b>	<b>32.5</b>
<i>Current liabilities</i>			
Liabilities to credit institutions	10.0	2.0	23.5
Trade payables	10.0	10.9	13.2
Liabilities to Group companies	101.9	103.4	108.5
Liabilities to associated companies	1.5	1.4	1.9
Income tax liability	-	-	-
Other current liabilities	5.7	17.2	16.1
Accrued expenses and deferred income	6.6	4.0	5.8
<b>Total current liabilities</b>	<b>135.7</b>	<b>138.9</b>	<b>169.0</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>368.6</b>	<b>310.0</b>	<b>366.6</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 2019, the Group applies IFRS 16 "Leases". 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 2018 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 2018.

#### IFRS 16 "Leases"

On 1 January 2019 IFRS 16 "Leases" became effective and replaces IAS 17 "Leases". For B3 the change means that more or less all leases will be recognised as assets and liabilities on the balance sheet.

The Group recognises a right-of-use asset and a lease liability on the commencement date of the lease. The right-of-use asset is initially measured at cost of acquisition, which consists of the initial value of the lease liability with the addition of lease payments made on or before the commencement date, plus any initial direct costs. The right-of-use asset is then depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the asset and the end of the lease term.

The lease liability is initially measured at the present value of the future lease payments that are not paid on the commencement date. Lease payments are discounted at the rate implicit in the lease. If this interest rate cannot readily be determined the Group's incremental borrowing rate is used.

Lease liabilities are measured at amortised cost applying the effective rate model. The lease liability is remeasured if the future lease payments are changed due to a change in an index or a rate, for example. When the lease liability is remeasured in this way a corresponding adjustment is made to the carrying amount of the right-of-use asset.

B3 has decided not to recognise right-of-use assets and lease liabilities for leases with a lease term of 12 months or less or underlying low-value assets. Lease payments for these leases are recognised as an expense on a straight-line basis over the lease term.

Previously B3 determined whether a contract contained a lease under IAS 17 or IFRIC 4 at the commencement of the contract. As of 1 January 2019 the Group determines whether a contract contains a lease on the basis of the definition of leases in IFRS 16.

On transition to IFRS 16 the Group has decided to apply the modified retroactive approach. Its meaning and impact on the Group are described below.

Previously the Group classified leases as operating or finance leases based on whether the lease transferred the significant risks and rewards associated with ownership of the underlying assets to the Group. Under IFRS 16 the Group recognises right-of-use assets and lease liabilities for most leases, i.e. leases are included on the balance sheet, exceptions to this are presented below.

#### Leases previously classified as operating leases under IAS 17

At the transition the lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate on an initial application date (1 January 2019). The right-of-use asset was measured at an amount equivalent to the lease liability, adjusted for any prepaid or accrued lease payments.

The Group has decided to apply the following practical solutions.

- Applied a single discount rate on a portfolio of leases with similar characteristics.
- The right-of-use assets and lease liabilities have not been recognised for leases for which the lease term ends in 12 months or less (short-term leases)
- Excluded initial direct expenses from measurement of the right-of-use asset on the initial application date.
- Made assessments in retrospect when determining the lease term if the contract includes options to extend or terminate the lease.

#### Leases previously classified as finance leases

For leases classified as finance leases under IAS 17 the carrying amount of the right-of-use asset and lease liability were determined as at 1 January 2019 as the carrying amount of the lease asset and the lease liability under IAS 17 immediately before that date.

#### *Effect on financial statements*

When measuring the lease liability the Group discounted the lease payments at the incremental borrowing rate as at 1 January 2019. The weighted average interest rate used is 4%.

Adjustment due to transition to IFRS 16 "Leases"

	closing balance	closing balance	opening balance
SEK MILLION	30/6/2019	31/3/2019	1/1/2019
Right of use of premises	48.2	51.9	55.6*
Lease liabilities, interest-bearing long-term portion	-35.4	-39.1	-42.9
Lease liabilities, interest-bearing current portion	-14.7	-14.7	-14.4
Deferred tax	0.4	0.4	0.4

\* Opening balance adjusted from the annual report 31 December 2018 due to restatement of extended contracts

Comparative figures as if IAS 17 had been applied in 2019 as well

	IFRS 16	IAS 17	IFRS 16	IAS 17
	April - June	April - June	January - June	January - June
SEK MILLION	2019	2019	2019	2019
<b>EBITDA</b>	9.1	5	30.9	22.6
<b>EBITDA margin</b>	4.4%	2.4%	7.3%	5.3%
<b>Operating profit (EBIT)</b>	3.4	2.9	18.7	17.8
<b>Operating margin (EBIT)</b>	1.6%	1.4%	4.4%	4.2%
Financial expenses	-1.9	-1.6	-2.8	-1.7
<b>Profit/loss before tax</b>	1.6	1.4	16	16.2

## NOTE 2 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 divided 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 4 onwards.

Segment reporting	Digital Management		Digital Innovation		Digital Infra		Nord		Other <sup>1</sup>		Total	
	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external clients	74.0	81.6	76.4	51.2	31.0	34.0	17.4	16.9	8.2	4.7	207.0	188.5
Revenue from other segments	1.7	1.8	1.7	3.0	1.7	3.4	0.0	1.0	-5.1	-9.3		
<b>Total revenue</b>	<b>75.7</b>	<b>83.4</b>	<b>78.1</b>	<b>54.2</b>	<b>32.7</b>	<b>37.4</b>	<b>17.4</b>	<b>17.9</b>	<b>3.1</b>	<b>-4.6</b>	<b>207.0</b>	<b>188.5</b>
<b>Operating profit</b>	<b>1.1</b>	<b>5.5</b>	<b>3.4</b>	<b>4.2</b>	<b>-1.0</b>	<b>1.2</b>	<b>0.3</b>	<b>0.6</b>	<b>-0.4</b>	<b>-0.9</b>	<b>3.4</b>	<b>10.6</b>
<b>Operating margin</b>	<b>1.5%</b>	<b>6.6%</b>	<b>4.4%</b>	<b>7.7%</b>	<b>-3.1%</b>	<b>3.2%</b>	<b>1.7%</b>	<b>3.4%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>1.6%</b>	<b>5.6%</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	
	January - June		January - June		January - June		January - June		January - June		January - June	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external clients	156.0	168.5	144.9	92.8	71.1	68.0	37.3	32.5	14.5	10.5	423.8	372.3
Revenue from other segments	4.6	3.9	6.1	6.2	5.4	6.8	0.6	1.7	-16.8	-18.6		
<b>Total revenue</b>	<b>160.6</b>	<b>172.4</b>	<b>151.0</b>	<b>99.0</b>	<b>76.5</b>	<b>74.8</b>	<b>37.9</b>	<b>34.2</b>	<b>-2.3</b>	<b>-8.1</b>	<b>423.8</b>	<b>372.3</b>
<b>Operating profit</b>	<b>6.3</b>	<b>15.3</b>	<b>13.1</b>	<b>7.3</b>	<b>0.0</b>	<b>3.2</b>	<b>1.7</b>	<b>0.8</b>	<b>-2.4</b>	<b>-1.5</b>	<b>18.7</b>	<b>24.9</b>
<b>Operating margin</b>	<b>3.9%</b>	<b>8.9%</b>	<b>8.7%</b>	<b>7.4%</b>	<b>0.0%</b>	<b>4.2%</b>	<b>4.5%</b>	<b>2.3%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>4.4%</b>	<b>6.7%</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	
	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2	Q2
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external clients	74.0	81.6	76.4	51.2	31.0	34.0	17.4	16.9	8.2	4.7	207.0	188.5
Revenue from other segments	1.7	1.8	1.7	3.0	1.7	3.4	0.0	1.0	-5.1	-9.3	0.0	0.0
<b>Total revenue</b>	<b>75.7</b>	<b>83.4</b>	<b>78.1</b>	<b>54.2</b>	<b>32.7</b>	<b>37.4</b>	<b>17.4</b>	<b>17.9</b>	<b>3.1</b>	<b>-4.6</b>	<b>207.0</b>	<b>188.5</b>
<b>Industry sector</b>												
Government agency, municipality	12.7	18.0	3.8	3.3	11.2	13.2	11.5	12.8	4.9	5.5	44.1	52.8
Banking, finance, insurance	24.5	25.7	9.2	7.4	3.8	3.8	0.0	0.0	0.5	2.7	37.9	39.6
Care	12.1	11.0	3.6	3.0	0.3	1.2	0.3	0.4	0.6	-0.5	16.8	15.1
IT, media, entertainment	1.2	1.4	20.6	19.2	3.5	4.5	0.5	0.5	0.3	-4.9	26.1	20.7
Industry	4.8	2.5	11.3	3.4	3.4	4.9	3.8	2.3	0.7	1.9	23.9	15.1
Transport/Logistics	6.6	9.5	3.5	1.2	1.9	2.3	0.8	0.5	0.3	-0.3	13.2	13.2
Telecoms	3.9	5.2	2.7	2.5	1.7	1.3	0.2	0.0	0.5	0.5	9.0	9.4
Retail	1.4	1.7	9.7	3.2	1.2	0.5	0.1	0.0	0.0	0.2	12.4	5.7
other	6.7	6.6	12.2	8.0	3.9	2.3	0.2	0.5	0.5	-0.4	23.5	16.9
<b>Total revenue</b>	<b>74.0</b>	<b>81.6</b>	<b>76.4</b>	<b>51.2</b>	<b>31.0</b>	<b>34.0</b>	<b>17.4</b>	<b>16.9</b>	<b>8.2</b>	<b>4.7</b>	<b>207.0</b>	<b>188.5</b>

Revenue broken down by segment and industry	Digital Management		Digital Innovation		Digital Infra		Nord		Övrigt <sup>1</sup>		Totalt	
	jan - jun		jan - jun		jan - jun		jan - jun		jan - jun		jan - jun	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Revenue from external clients	156.0	168.5	144.9	92.8	71.1	68.0	37.3	32.5	14.5	10.5	423.8	372.3
Revenue from other segments	4.6	3.9	6.1	6.2	5.4	6.8	0.6	1.7	-16.8	-18.6	0.0	0.0
<b>Total revenue</b>	<b>160.6</b>	<b>172.4</b>	<b>151.0</b>	<b>99.0</b>	<b>76.5</b>	<b>74.8</b>	<b>37.9</b>	<b>34.2</b>	<b>-2.3</b>	<b>-8.1</b>	<b>423.8</b>	<b>372.3</b>
<b>Industry sector</b>												
Government agency, municipality	27.7	38.1	8.5	6.9	25.5	26.5	24.2	24.9	6.6	7.9	92.5	104.2
Banking, finance, insurance	52.1	54.8	15.4	14.7	8.5	8.5	0.0	0.0	0.2	0.3	76.3	78.2
Care	24.9	22.4	6.6	5.8	1.1	2.7	0.8	0.6	1.6	-1.7	35.0	29.8
IT, media, entertainment	2.0	2.7	41.6	29.7	8.2	8.2	1.3	1.0	1.8	-0.6	55.0	41.0
Industry	9.6	5.7	19.9	7.1	8.7	9.9	8.0	4.2	2.0	2.9	48.2	29.8
Transport/Logistics	11.2	18.0	6.6	2.6	4.0	4.5	1.8	1.0	0.4	0.0	23.9	26.1
Telecoms	9.6	11.1	5.3	4.9	4.7	2.3	0.2	0.0	0.7	0.3	20.6	18.6
Retail	4.0	3.9	16.6	3.5	2.5	1.0	0.3	0.3	0.5	2.5	24.0	11.2
other	14.9	11.8	24.4	17.6	7.8	4.5	0.6	0.6	0.7	-1.0	48.3	33.4
<b>Total revenue</b>	<b>156.0</b>	<b>168.5</b>	<b>144.9</b>	<b>92.8</b>	<b>71.1</b>	<b>68.0</b>	<b>37.3</b>	<b>32.5</b>	<b>14.5</b>	<b>10.6</b>	<b>423.8</b>	<b>372.3</b>

NOTE 3 KEY FIGURES - GROUP (SEK MILLION)	April -- June		January – June		January - December
	2019	2018	2019	2018	2018
Net sales	207.0	188.5	423.8	372.3	726.3
Sales growth %	9.8%	23.9%	13.8%	23.4%	17.2%
Operating profit before depreciation/amortisation and impairment (EBITDA)	9.1	12.4	31.0	28.5	54.1
Operating margin before depreciation/amortisation and impairment (EBITDA) %	4.4%	6.6%	7.3%	7.7%	7.4%
Operating profit (EBIT)	3.4	10.6	18.7	24.9	47.1
Operating margin (EBIT) %	1.6%	5.6%	4.4%	6.7%	6.5%
Equity-assets ratio %	23.9%	28.0%	23.9%	28.0%	28.8%
Average number of employees	629	515	613	500	524
Average number of co-workers	659	535	642	520	547
Closing number of employees	639	517	639	517	581
Closing number of co-workers	669	540	669	540	609
Balance sheet total	486.5	384.0	486.5	384.0	425.7
Return on equity %	0.6%	5.8%	9.5%	14.6%	24.3%
Earnings per share, SEK	-0.01	0.67	1.05	1.75	3.15

#### 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, excluding impact of IFRS 16 "Leases"

*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, excluding impact of IFRS 16 "Leases", 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	April – June		January – June		January – December
	2019	2018	2019	2018	2018
Sales	207.0	188.5	423.8	372.3	726.3
Increased sales compared with previous year	18.5	36.3	51.5	-354.0	106.6
<b>Sales growth</b>	<b>9.8%</b>	<b>23.9%</b>	<b>13.8%</b>	<b>23.4%</b>	<b>17.2%</b>
Operating profit	3.4	10.6	18.7	24.9	47.1
Depreciation/amortisation and impairment	5.7	1.8	12.2	3.6	7.0
Operating profit before depreciation/amortisation and impairment EBITDA	<b>9.1</b>	<b>12.4</b>	<b>30.9</b>	<b>28.5</b>	<b>54.1</b>
Operating profit before depreciation/amortisation and impairment EBITDA	9.1	12.4	30.9	28.5	54.1
Net sales	207.0	188.5	423.8	372.3	726.3
<b>Operating margin before depreciation/amortisation and impairment (EBITDA). %</b>	<b>4.4%</b>	<b>6.6%</b>	<b>7.3%</b>	<b>7.7%</b>	<b>7.4%</b>
Operating profit EBIT	<b>3.4</b>	<b>10.6</b>	<b>18.7</b>	<b>24.9</b>	<b>47.1</b>
Operating profit	3.4	10.6	18.7	24.9	47.1
Net sales	207.0	188.5	423.8	372.3	726.3
<b>Operating margin (EBIT). %</b>	<b>1.6%</b>	<b>5.6%</b>	<b>4.4%</b>	<b>6.7%</b>	<b>6.5%</b>
Operating profit	3.4	10.6	18.7	24.9	47.1
Impairment loss on intangible non-current assets	0.0	0.0	0.0	0.0	0.0
Operating profit before depreciation/amortisation EBITA	<b>3.4</b>	<b>10.6</b>	<b>18.7</b>	<b>24.9</b>	<b>47.1</b>
Equity including non-controlling interests.	116.2	107.4	116.2	107.4	122.4
Balance sheet total	486.5	384.0	486.5	384.0	425.7
<b>EQUITY-ASSETS RATIO</b>	<b>23.9%</b>	<b>28.0%</b>	<b>23.9%</b>	<b>28.0%</b>	<b>28.8%</b>
Profit after tax	0.7	6.6	11.3	15.9	28.3
Equity including non-controlling interests opening balance	135.2	118.9	122.4	110.7	110.7
Equity including non-controlling interests closing balance	116.2	107.4	116.2	107.4	122.4
Average equity	125.7	113.2	119.3	109.1	116.6
<b>Return on equity. %</b>	<b>0.6%</b>	<b>5.8%</b>	<b>9.5%</b>	<b>14.6%</b>	<b>24.3%</b>
Interest-bearing long-term liabilities	-110.1	-47.3	-110.1	-47.3	-48.1
Interest-bearing current liabilities	-32.6	-8.5	-32.6	-8.5	-31.4
Cash and cash equivalents	17.8	17.5	17.8	17.5	22.1
<b>Net debt(-)/Net cash balance(+) incl. IFRS 16</b>	<b>-124.9</b>	<b>-38.3</b>	<b>-124.9</b>	<b>-38.3</b>	<b>-57.4</b>
Interest-bearing non-current liabilities	-60.1	-47.3	-60.1	-47.3	-48.1
Interest-bearing current liabilities	-18.0	-8.5	-18.0	-8.5	-31.4
Cash and cash equivalents	17.5	17.5	17.5	17.5	22.1
<b>Net debt(-)/Net cash balance(+) excl. IFRS 16</b>	<b>-60.6</b>	<b>-38.3</b>	<b>-60.6</b>	<b>-38.3</b>	<b>-57.4</b>

**NOTE 4 SUPPLEMENTARY DISCLOSURES FINANCIAL ASSETS AND LIABILITIES**

The financial instruments measured at fair value on the balance sheet constitute a conditional purchase price of SEK 0.0 (6.4) 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 5 BUSINESS ACQUISITIONS

B3 acquires 60% of the shares in the management consulting company Alenio Consulting AB. Alenio Consulting AB was started in 2014 and has eleven co-workers, with sales of SEK 13.3 million in 2018 and an operating profit of SEK 0.9 million. The acquisition was made through a cash payment of SEK 5.4 million with an option to acquire the remaining business for a purchase price based on Alenio's growth in the next three years. The acquisition gave goodwill of SEK 7.6 million under the full goodwill method. Goodwill refers mainly to the potential of the market position and profitability of the business.

The company is part of the B3 Group as of January 2019, Alenio's share of sales in the first quarter amounts to SEK 8.0 million, with an operating profit of SEK 0.6 million.

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

On 1 January 2019 B3 acquires the remaining 50% of B3 Cyber Security AB, which thereby becomes a subsidiary instead of an associated company. B3 Cyber Security was started in July 2017 as an associated company of the B3 Consulting Group.

<b>Alenio Consulting AB</b>		<b>B3 Cyber Security AB</b>	
<b>Fair value of acquired assets</b>		<b>Fair value of acquired assets</b>	
<b>and liabilities, SEK million</b>	<b>100%</b>	<b>and liabilities, SEK million</b>	<b>100%</b>
Non-current assets	0.0	Non-current assets	0.0
Current assets excluding cash		Current assets excluding cash	
Cash and bank balances	3.5	Cash and bank balances	1.3
including current investments	0.6	including current investments	1.1
Liabilities	-2.7	Liabilities	-2.0
<b>Net identifiable assets and liabilities</b>	<b>1.4</b>	<b>Net identifiable assets and liabilities</b>	<b>0.4</b>
Purchase price	5.4	Purchase price	2.1
Minority share, fair value	3.6	Fair value of identifiable net assets	0.4
Fair value of identifiable net assets	1.4	<b>Goodwill</b>	<b>1.7</b>
<b>Goodwill</b>	<b>7.6</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	0.0
Cash consideration paid	-5.4	Cash and cash equivalents in acquired subsidiaries	1.1
Cash and cash equivalents in acquired subsidiaries	0.6		
<b>Impact on the Group's cash and cash equivalents on acquisition</b>	<b>-4.8</b>	<b>Impact on the Group's cash and cash equivalents on acquisition</b>	<b>1.1</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.

In connection with the acquisition of Sentensia Q AB in July 2017 it was agreed that a supplementary purchase price would be paid after adoption of the 2017 and 2018 annual reports. The total purchase price is based on the acquired company's performance in 2017 and 2018. In 2018 B3 Sentensia performed better than expected and the supplementary purchase price for 2018 totalled SEK 8 million. SEK 1.5 million of which is charged to the Group's operating profit for the first quarter of 2019. Payment of the last supplementary purchase price will take place on 1 April 2019.

In accordance with a resolution passed by the Annual General Meeting on 15 May 2018, on 14 January 2019 the B3 Consulting Group AB (publ) 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.

In accordance with a decision made at the Annual General Meeting on 16 May 2019 the B3 Consulting Group AB (publ) acquired the outstanding subsidiary shares in B3 Insight AB and B3 Summit AB from the minority shareholders through a non-cash issue. The decision means that the share capital increased to SEK 752,187.50 through a non-cash issue of a total of 99,999 shares to 7,521,875 shares in total. Share subscription for the non-cash issues took place on 17 May 2019.

#### **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 second quarter of 2019 was 59, compared with 60 in the same period of the previous year.