



CREATING POSSIBILITIES TOGETHER

Year-end report, 1 January to 31 December 2020

18 February 2021

A year of transition

Fourth quarter, October – December 2020

- Sales amounted to SEK 221.5 (239.1) million, a decrease of 7.4 per cent. In the same period of the previous year growth was 17.5 per cent.
- The operating profit (EBIT) was SEK 5.9 (7.0) million, giving an operating margin of 2.7 (2.9) per cent
- Profit after tax was SEK 3.8 (3.8) million.
- Earnings per share before and after dilution amount to SEK 0.39 (0.28)

Full year January – December 2020

- Sales amounted to SEK 851.4 (839.5) million, giving growth of 1.4 (15.6) per cent
- The operating profit (EBIT) was SEK 42.4 (31.3) million, giving an operating margin of 5.0 (3.7) per cent
- Profit after tax was SEK 27.7 (17.6) million.
- Earnings per share before and after dilution amount to SEK 2.88 (1.43)
- The COVID-19-pandemic has impacted the business negatively and means continued uncertainty going forward
- The Board of Directors proposes a dividend of SEK 0.90 per share for the 2020 financial year. No dividend was distributed in the previous year

	Fourth quarter, Oct-Dec			Full year, Jan-Dec		
	2020	2019	Change	2020	2019	Change
Net sales, SEK million	221.5	239.1	-7.4%	851.4	839.5	1.4%
EBITDA, SEK million	13.0	13.2	-1.5%	70.0	56.1	24.8%
EBITDA margin	5.9%	5.5%		8.2%	6.7%	
Operating profit (EBIT), SEK million	5.9	7.0	-15.7%	42.4	31.3	35.5%
Operating margin (EBIT)	2.7%	2.9%		5.0%	3.7%	
Profit after tax, SEK million	3.8	3.8	0%	27.7	17.6	57.4%
Profit per share, SEK	0.39	0.28	39.3%	2.88	1.43	101.4%
Opening Balance number of co-workers	640	712	-72	640	712	-72
Average number of co-workers	642	708	-66	673	669	4

The table shows an extract from B3's key figures. See Note 3 for a table and definitions of key figures.

A webcast presentation in Swedish will be available for investors, analysts and the media today at 09.00. The webcast can be accessed via 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

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A year of transition

With all the challenges that 2020 brought in the form of a pandemic and economic recession we are not sorry to put the year behind us, but can note that despite difficult circumstances we could deliver a seventeenth consecutive year of growth, and an unbroken series of 69 profitable quarters since the company's start.

Development during the year

With a focus on operational efficiency we started the year with the best Q1 performance in B3's history in terms of revenue and profit. The work has continued during the year, but quite naturally had even greater power and focus after the outbreak of the pandemic in the spring.

COVID-19 and the subsequent economic recession has meant for us a swift transition to digital working methods in all respects. We deliver remotely, we market remotely, we develop our client relations remotely, we lead and coach our co-workers remotely and we develop skills remotely – and it works! This has given us confirmation both of our business model and the potential of digital working methods. I am both proud and grateful for everything the B3 co-workers have achieved under these difficult conditions.

But the economic crisis in the wake of the pandemic has affected some our customers adversely and they have had to cut down on activities and ambitions as a consequence. This has impacted some of our operative companies negatively and we have had to tackle this by severely reducing growth ambitions, halting recruitment, adapting the organisation and numbers to new market conditions, reducing overhead expenses and changing priorities in client work. Despite this, financially we can summarise the year with a 35 per cent improvement in EBIT and a 100 per cent increase in earnings per share, at the same time as having strengthened the Group's financial position.

Fourth quarter

The Cloud & Technology business area has maintained a good rate of growth and improved profit, strongly driven by the market's increased demand for knowledge and services around the cloud, security and digital infrastructure. The Digital Management business area is also improving in profitability, despite negative growth. The adaptations we made in the business area after the downturn in 2019, with consolidation and streamlining are beginning to have an effect, though we still have some way to go. The Digital Innovation business area reported weak development in the quarter. Some of the companies in the business area were extra heavily impacted, as their respective client bases are in industry sectors very badly affected by the corona crisis. The quarter therefore had an extra burden of some further transition costs we had to bear of SEK 2.2 million, while carrying out further re-prioritisation and adjustments.

Progress

If 2020 was dominated by transition and adaptation, we have nevertheless made important progress in other respects.

- We won a GPTW award as one of the 20 best workplaces in Europe
- We have won several significant framework agreements and contracts in the financial sector and the government agency sphere, among others
- We have created a number of new service concepts to clarify our offer and won a large number of new client engagements, for example in cloud transition, modern workplace, digital customer loyalty, process automation, data-driven working methods etc.
- We have consolidated small business units into larger ones for greater efficiency
- We have established four new companies together with new entrepreneurs, and are looking forward to growing them considerably in coming years

The way forward

We have made extensive adaptations, with cost reductions and adjustments in the organisation during the year, which are expected to have their full effect in 2021. We can also note that further measures are needed to strengthen our competitiveness and improve our efficiency, so the Board of Directors has decided on an augmented action programme.

With the persistence and adaptability demanded by prevailing market conditions we are continuing to work on developing the B3 Group, our business and our co-workers. Our financial targets for 2023 remain – they require continued focus on operational efficiency and increased profitability in all our business areas, at the same time we began 2021 by increasing recruitment aimed at starting to grow again. Moreover, we intend to retain our position as the most attractive employer in the industry, and to deliver on our brand promise – to join with our clients to make the most of all the opportunities of digital transformation.

Sven Uthorn



*President and Chief
Executive Officer
Sven Uthorn*

Events

In Q4

- B3 was awarded a new framework agreement with the National Government Employee Pensions Board, SPV, for consulting services in or with reference to IT
- B3 is strengthening its efforts in public procurement by forming the subsidiary B3 Upphandling (Procurement)
- As one of five suppliers, B3 has been entrusted as a new supplier under a framework agreement for the Swedish Board of Agriculture to supply IT consulting services in system development and system administration
- B3's subsidiary Rebel and Bird has been awarded, through a procurement process, a new framework agreement with Svenska Spel
- B3's subsidiary B3 Init is again entrusted as supplier of IT support to the Swedish Tax Agency
- B3 is one of several entrusted suppliers under a framework agreement in the Swedish Board of Student Finance (CSN) procurement of IT consultants
- B3's subsidiary Rebel and Bird developed Filmstadens app for a more stable and faster user experience
- B3 starts B3 Kodify, a specialist company in Cloud and DevOps, in Malmö. DevOps means that a team develops, deploys, tests, integrates and monitors an application in an automated flow. B3 already has a strong offer for supporting transfer to the cloud and B3 Kodify's operations meet a growing demand for Cloud and DevOps services

After the close of the period

- B3's subsidiary Rebel and Bird launched an app for cinema visits in Norway together with ODEON Kino and Filmstaden
- B3 was awarded a framework agreement with one of the leading commercial banks in Sweden. The framework agreement covers several different consulting roles and is valid for three years
- B3 was awarded a new framework agreement with the Dental and Pharmaceutical Benefits Agency, TLV. The framework agreement covers administration and development of TLV's Business Intelligence system based on the Oracle platform
- Siv Selva became the new CEO of B3 Effekt, which helps the public sector to create better service to citizens through digital transformation, secure information processing, strategic advisory services and change management
- B3 future-proofs FAR's working method by establishing new system support
- B3 strengthens its offer in app development by starting the company B3 Mobile, which offers clients app development specifically adapted to iOS and Android

In Q3

- B3 was recognised as one of Europe's best workplaces by Great Place To Work (GPTW) in the category Best Large Workplaces in Europe. B3 is also the highest-ranked Swedish company in that category
- B3's subsidiary Rebel and Bird was nominated for the Swedish Design Award 2020 in the category "Digital - E-commerce" for the design of Gröna Lund's website
- B3's subsidiary Rebel and Bird is one of the suppliers that has developed updates in the booking system with reference to social distancing for a secure cinema experience at Filmstadens cinemas

In Q2

- B3 was recognised by Great Place to Work (GPTW) as Sweden's second-best workplace in the category of large organisations with more than 250 employees. The result also shows that 94 per cent of co-workers consider that B3 is a very good workplace.
- B3's specialist company B3 Automate helps Almi to get Sweden going faster through automation of the 'Bridge Loan'.
- B3's subsidiary Rebel and Bird builds Bambuser's, world-renowned for their mobile streaming technology, new web for tomorrow's digital video solutions
- B3's subsidiary B3 Init is again entrusted as supplier of IT support to the Swedish Election Authority
- B3's specialist company B3 Automate wins a new contract to automate business processes with RPA (Robotic Process Automation) for one of Stockholm's larger municipalities
- B3 strengthens the Board of Directors with Mikael Cato and Anna Söderblom
- B3 acquires all minority shareholdings in B3 Alenio Consulting and B3 Financial Consulting, as well as increasing its shareholding in Rebel and Bird to 75 per cent after a resolution by the Annual General Meeting
- The Annual General Meeting resolves that no dividend be distributed for the 2019 financial year
- B3 forms B3 Business Transformation, by amalgamating B3 Alenio Consulting, B3 Connect, B3 Insight and B3 Interact, with proficiency in data-driven analysis and insight, the digital customer meeting and customer experience
- B3's subsidiary Rebel and Bird built Formpipe's new website to drive increased conversion and online sales

In Q1

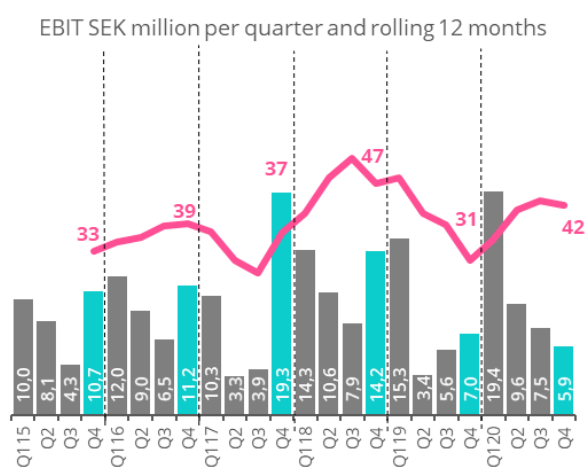
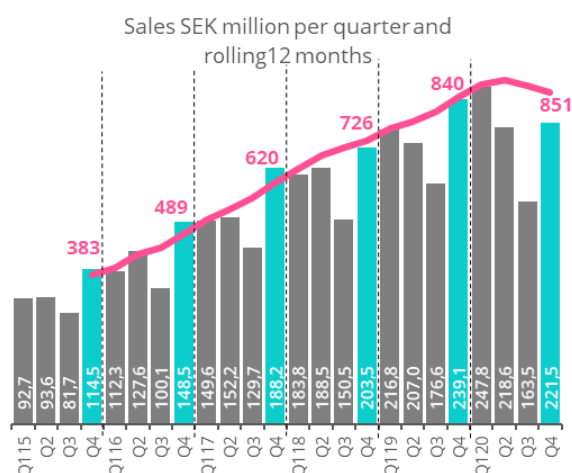
- B3's subsidiary Rebel and Bird built the Swedish Heart-Lung Foundation's new website to increase donations to research
- B3 was entrusted with responsibility for the entire IT environment of Almi Företagspartner
- B3's subsidiary Rebel and Bird built Gröna Lund's new website for a better amusement park experience
- B3 started a new specialist company – B3 Indes – in Business Intelligence and Data Science in Gothenburg
- B3 amalgamates the subsidiaries B3 Sentensia and B3 Ledning and forms B3 Effekt to further strengthen the public sector offer
- B3 received certification under the Great Place to Work (GPTW) international standard
- B3 created a new digital platform for Convictus, a non-profit association that works to support vulnerable people. The work is carried out as part of B3 Social innovation
- Under a framework agreement B3 is entrusted as supplier to the Swedish Social Insurance Agency's IT production and IT infrastructure.
- The Board of Directors has specified the company's financial targets to reflect a new focus (page 9)

Group

Fourth quarter, October – December 2020

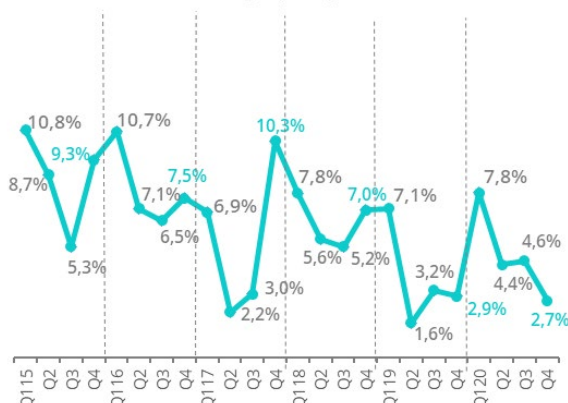
Revenue and profit

Sales in the quarter amounted to SEK 221.5 (239.1) million, a decrease of 7.4 per cent. In the previous year growth was 17.5 per cent. Sub-consultants are used for a small part of the business, amounting during the quarter to 10.4 (8.5) per cent of sales. The decreased sales in the fourth quarter, just as in the third quarter, are mainly attributable to the COVID-19 pandemic. However, the market is diversified and growth in some industry sectors is good, while in others it is weaker. Large parts of the B3 Group's business continue to progress well and are highly effective. The operations that work with clients, above all in the industry sectors Industry and IT, media, entertainment respectively are affected by the pandemic and have had weaker growth during the quarter.



Total operating expenses in the quarter were SEK 217.0 (232.3) million. Staff costs were SEK 161.6 (171.8) million, corresponding to 73.0 (71.9) per cent of sales. The operating profit for the quarter amounted to SEK 5.9 (7.0) million. This corresponds to an operating margin of 2.7 (2.9) per cent. Due to the pandemic, cost savings and staff cuts are being made continuously to adapt to the new market conditions. During the period B3 has received SEK 0.9 million in support for short-term layoffs for one subsidiary. The period was burdened by non-recurring costs linked to staff cuts of SEK 1.0 million.

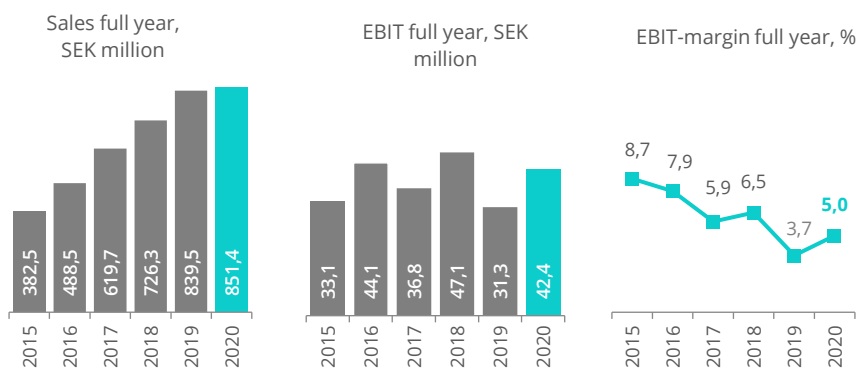
EBIT-margin per quarter



Full year January – December 2020

Revenue and profit

During the period sales were SEK 851.4 (839.5) million. Growth was 1.4 (15.6) per cent. The relatively lower rate of growth in 2020 compared with 2019 is mainly linked to the COVID-19 pandemic. The uncertainty created by the pandemic has resulted in caution in connection with recruitment and acquisition. B3 is also seeing that clients continue to postpone projects, particularly in sectors heavily affected by the pandemic, such as Industry and IT, media and entertainment. This affects the Group's revenue and profit. Sub-consultants are used for a small part of the business, reported during the period as 9.4 (7.6) per cent of sales.



Total operating expenses in the period were SEK 814.2 (809.2) million. Staff costs were reported as SEK 625.1 (599.6) million, corresponding to 73.4 (71.4) per cent of sales. The percentage is higher in 2020 than in 2019, as the pandemic, with the subsequent economic crisis, entailed reduced invoicing. Consequently the organisation is being adapted and numbers reduced. The staff cuts initially generate increased costs and then gradual savings.

The operating profit for the period was SEK 42.4 (31.3) million. The reported operating margin is 5.0 (3.7) per cent. Profit has been impacted by the pandemic and since it started B3 has worked both on cost control through consolidation of units, cost savings and staff cuts, as well as development of services and prioritising strategic customers to adapt to the new market conditions. In parallel, the work started in autumn 2019 is continuing, to change the organisational structure and working methods with a view to achieving improved operational efficiency and profit generation. This is to adapt to a partly changed market situation, including for project leadership and operations development. The work, which has brought improvement in earnings during the period, is continuing with the same focus.

During the year B3 received SEK 11.0 million in reduced employer's contributions and SEK 1.7 million in support for short-term lay-offs for one subsidiary. The period was burdened by non-recurring costs of SEK 4.9 million linked to staff cuts.

Seasonal variations

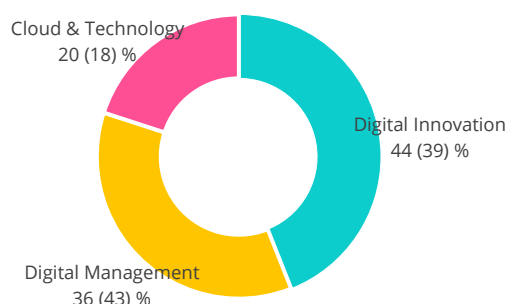
In general the first and second quarters have a relatively even work rate. The third quarter includes most of the holiday period and the fourth quarter is the most work-intensive. The number of working days in 2020 was 226, compared with 225 in the same period of the previous year. One working day changes revenue by about SEK 3.3 million/year and earnings by about SEK 1.1 million/year.

Segment reporting

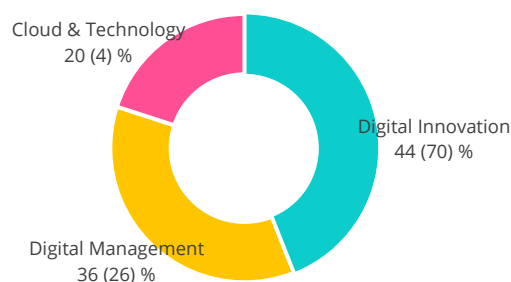
B3 changed its business area structure at the beginning of the year. With a view to improving efficiency and creating better conditions for developing operations, the Nord business area, with companies in the towns of Sundsvall, Gävle and Borlänge, was integrated into the Digital Innovation and Digital Management business areas. About 90 per cent of sales for the Nord business area in 2019 were moved to the Digital Management business area and the rest to the Digital Innovation business area. The comparative figures for 2019 have been adjusted in the same way.

A general description of the business areas is given below. For a detailed list of the segments' revenue and profit, please see Note 2.

Share of revenue per business area, 2020 (2019)



Share of EBIT per business area, 2020 (2019)



Digital Innovation business area

The business area is focused on development of application software, digital customer experiences, products and services. During the period growth for Digital Innovation was 14.3 (36.2) per cent, and the business area accounts for 44 (39) per cent of the Group's sales. The business area's growth was dampened in 2020. This is mainly linked to the COVID-19 pandemic, as the business area has subsidiaries with clients in the Industry and IT, media and entertainment sectors, which are severely affected by the pandemic. For the business area this means a considerably lower growth rate, which in turn impacts profit. Several clients in the affected sectors have had to postpone assignments and put off decisions on new development until later. To deflect the effect of this, B3 is working on cost control in the form of consolidation of units to improve efficiency, cost savings and staff cuts.

Digital Innovation's sales in the period were SEK 383.3 (335.2) million with an operating profit of SEK 21.2 (26.7) million, giving an operating margin of 5.5 (8.0) per cent.

Digital Innovation continued to be affected by revenue loss due to the pandemic in the fourth quarter. Sales amounted to SEK 96.9 (104.7) million, a decrease of 7.4 per cent. In the previous year growth was 41.1 per cent. The operating profit was SEK 2.4 (6.5) million, giving an operating margin of 2.5 (6.2) per cent

Digital Management business area

The business area offers services in operations development, digital transformation, change leadership, decision support etc. The customers include regions, government authorities, banking and finance, as well as the telecom sector. During the period sales for the business area decreased by 14.8 (4.8) per cent. Digital Management accounts for 36 (43) per cent of the Group's sales. Despite decreased growth, the business area's profit was boosted as an effect of the work to improve operational efficiency.

Digital Management's sales were SEK 309.6 (363.3) million with an operating profit of SEK 17.5 (10.0) million, giving an operating margin of 5.7 (2.8) per cent. Since 2019 the business area has experienced weakened demand, particularly for project leadership and operations development. To improve efficiency and develop the business, organisation, customer priorities and working methods are adapting towards a partially changed market. The pandemic has had an impact in some sectors, where clients have reviewed project portfolios and purchases of consulting services, which has a temporary effect on price levels and demand.

The business area's sales in the fourth quarter were SEK 74.3 (98.5) million, a decrease of 24.6 per cent. In the previous year growth was 0.4 per cent. The operating profit was SEK 4.4 (2.4) million, giving an operating margin of 5.9 (2.4) per cent

Cloud & Technology business area (formerly Digital Infra)

The business area offers services relating to effective, secure, scalable and accessible infrastructure. The market is characterised by the transfer of new and existing solutions to the cloud and IT security issues are in focus. During the period growth for the business area was 14.2 (1.9) per cent, and Cloud & Technology accounts for 20 (18) per cent of the Group's sales.

Cloud & Technology's sales were SEK 172.7 (151.2) million with an operating profit of SEK 9.6 (1.7) million, giving an operating margin of 5.6 (1.1) per cent. After the restraint in the client market in spring 2019, the work of raising operational efficiency and strengthening profit generation was started, which has had an effect. This work is continuing with the same focus. The business area has experienced a limited negative effect of the pandemic, partly because demand for the services it offers increased during the pandemic. The Modern Workplace service concept, where B3 helps clients to develop new working methods that function regardless of the physical location of the co-worker, is an example of a service where demand is growing.

The business area's sales in the fourth quarter were SEK 44.8 (40.8) million, which gives growth of 9.8 (-7.3) per cent. The operating profit was SEK 1.0 (0.2) million, giving an operating margin of 2.2 (0.5) per cent.

Cash flow and financial position

The Group's cash flow in the period was SEK 18.9 (5.4) million. Cash flow from operating activities was SEK 69.0 (55.2) million, where the operations had a positive cash flow of SEK 51.7 (37.7) million and working capital changed by SEK 17.3 (17.5) million. Cash flow was positively impacted, mainly by better profit and a lower investment rate. Financing activities gave a cash flow of SEK -47.1 (-27.1) million. During the year the Group amortised loans of SEK 36,8 million and repaid SEK 21.4 million of the SEK 27.7 million tax payments due for which B3 in the third quarter of 2020 applied for and received a grace period.

The Group's cash and cash equivalents amounted to SEK 46.4 (27.5) million. Cash and cash equivalents amounted to SEK 66.9 (9.7) million as at 30 September.

Equity at the close of the period was SEK 165.9 (137.8) million. The financial position was strengthened during the year and net debt decreased. At the close of the period the Group had net debt, excluding impact of IFRS 16 Leases, of SEK 34.1 (72.5) million. Net debt as a percentage of EBITA on a rolling 12-month basis is 0.8 (2.3). The equity-assets ratio is 32.4 (26.4) per cent.

Customary review of goodwill valuation has been made and there is no indication of impairment loss.

Co-workers

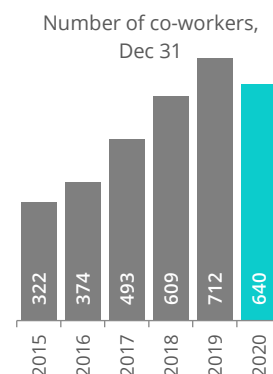
Staff reductions have been made, both due to the pandemic, to adapt the organisation to the new market conditions, and as part of the change process towards operational efficiency. B3's net change in the number of co-workers in 2020 was -72 (103). At the close of the period the number of co-workers was 640 (712).

Clients

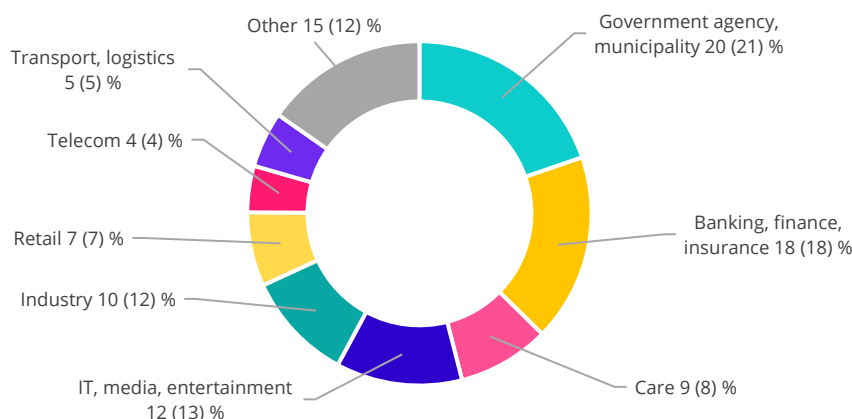
At the beginning of 2021 B3 had more than 200 active clients of which no individual client represents more than five per cent of the company's total sales. The company's ten largest clients together account for about 25 per cent of B3's sales and the 40 next largest clients represent about 35 per cent of sales. About 50 per cent of B3's sales are related to industry sectors with low or moderate cyclical dependence. In addition, revenues from our own framework agreements constitute just under 20 per cent of the company's sales. The COVID-19 pandemic has affected some of B3's clients, mainly in the Industry and IT, media, entertainment industry sectors.

SEK
51.7
million in cash flow
from operating
activities

32 %
equity/assets ratio
31 December



Share of revenue per industry, rolling 12 months Q120-Q420 (Q119-Q419)



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, employer branding, HR, business development and marketing. The parent company is also responsible for the overall offer in relation to major framework agreement clients.

Fourth quarter, October – December 2020

Revenue and profit

The parent company's net sales in the quarter amounted to SEK 45.4 (35.3) 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 70.2 (57.9) 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 -2.0 (-1.1) million.

Full year January – December 2020

Revenue and profit

The parent company's net sales in the period amounted to SEK 153.1 (140.9) 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 246.9 (232.4) 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 was SEK -5.1 (-2.7) million.

Financial position

The Group's cash and cash equivalents amounted to SEK 37.8 (10.2) million. The parent company has overdraft facilities with a limit of a SEK 15.0 (35.0) million, of which SEK 0.0 (0.0) million has been used. For the purpose of further improving flexibility in financing acquisitions, in November 2018 the company signed and used a three-year term facility agreement for SEK 40 million, of which SEK 17.5 million was amortised at the close of the period. For the acquisition of Nuway AB the parent company raised a loan in 2019 of SEK 11.3 million, of which 4.2 million was amortised at the close of the period. The company's Revolving Credit Facility of SEK 35 million from 2017 was converted to a Term Facility in June 2020, of which SEK 1.7 million was amortised at the close of the period. The parent company's equity amounts to SEK 238.9 (186.4) million. At the close of the period the company had net debt of SEK 25.1 (67.2) million. The equity/assets ratio is 49.8 (44.7) per cent.

The B3 share

B3 Consulting Group's share is listed, with the ticker symbol B3, on Nasdaq Stockholm (the Stockholm Stock Exchange) Small Cap. At the close of the period there was a total of 8,410,384 shares and the same number of votes, distributed among 1,964 shareholders. Share capital amounts to SEK 841,038:40.

1,964
shareholders in B3

Dividend

The Board of Directors proposes to the Annual General Meeting a dividend of SEK 0.90 per share, totalling SEK 7.6 (0.0) million. The proposal is within the framework of the company's dividend policy. The pandemic entails continued uncertainty in the market, and therefore the Board of Directors wants to ensure the company's continued financial freedom of action.

Other information

Outlook and financial targets

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 global outbreak of COVID-19 and related economic recession in the world economy create uncertainty, especially in the short term, where there is a risk that clients will continue to postpone projects and investments. This may have a negative impact on both revenue and profit in the short term. In the longer term the perception is that the areas in which B3 works, as regards new technology and digitalisation, will grow.

The Board of Directors has per February 2020 established the following overall target for the next three years:

- exceed SEK 1 billion in annual sales and continue to grow faster than the market
- achieve an operating margin (EBIT) of ten per cent and thereafter be able to sustainably generate 8–12 per cent annually
- grow earnings per share at the same rate or faster than EBIT
- the leverage ratio as a percentage of EBITA should normally be less than 1.5
- the company is to annually distribute up to two thirds of its profit after tax attributable to the shareholders of B3 Consulting Group AB (publ), while taking into account the Group'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 2019 in the section "Risks and risk management" in the administration report and under Note 3.

The COVID-19 outbreak affects the market and thus also the B3 Group, which means that uncertainty around the above-mentioned risks and uncertainties is growing. To what extent is not quantifiable at present.

Annual General Meeting

The 2020 Annual General Meeting will take place on 12 May 2021, at 16.00 at B3's premises in Stockholm. Notice to attend the Annual General Meeting will be published at the latest four weeks before that 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 14 May 2020. The Nominations Committee consists of Hans Didring, representative of Protector Forsikring ASA, Leif Frykman, representative of Sven Uthorn AB and Alf Blomqvist, Chair of the Board of B3 Consulting Group AB (publ). The Nominations Committee thus corresponds to about 35 per cent of the total number of outstanding shares and votes. Shareholders who wish to submit proposals to B3's Nominations Committee can do so by 28 February 2021 at the latest, via email to valberedning@b3.se or by letter to B3 Consulting Group AB (publ), Att: Nominations Committee, P.O. Box 8, SE 101 20 Stockholm.

Calendar

Annual Report 2020	latest 14 April 2021
Interim report Q1, January-March 2021	7 May 2021
Annual General Meeting for 2020, Stockholm	12 May 2021
Interim report Q2, January-June 2021	20 August 2021
Interim report Q3, January-September 2021	9 November 2021

Signing of the report

The Board of Directors and President certify that the interim report for the fourth quarter and full year 2020 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 report has not been subject to review.

Stockholm, 18 February 2021

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

Alf Blomqvist
Chair of the Board

Mikael Cato
Member of the Board

Anna Hjertstedt
Member of the Board

Kristin Lindmark
Member of the Board

Marika Skärvik
Member of the Board

Anna Söderblom
Member of the Board

Sven Uthorn
CEO and Member of the Board

B3 Consulting Group is one of Sweden's fastest growing consulting companies and currently has 640 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 2020 amounted to SEK 851.4 million, with an operating profit of SEK 42.4 million. There are offices in Stockholm, Borlänge, Gävle, Gothenburg, Jönköping, Linköping, Malmö, Sundsvall and Örebro, as well as Krakow and Warsaw. B3 is listed on Nasdaq Stockholm. More information can be found at www.b3.se

There may be rounding differences in the tables

CONSOLIDATED INCOME STATEMENT SEK MILLION	October -- December		January -- December	
	2020	2019	2020	2019
Net sales	221.5	239.1	851.4	839.5
Other operating income	1.4	0.2	5.2	1.0
Operating revenue etc.	222.9	239.3	856.6	840.5
Engagement-specific external expenses	-33.2	-29.5	-110.8	-102.6
Other external expenses	-15.1	-22.4	-49.8	-78.4
Supplementary purchase price for business combination ¹	0.0	-2.3	-0.9	-3.8
Staff costs	-161.6	-171.8	-625.1	-599.6
Depreciation/amortisation and impairment	-7.1	-6.2	-27.6	-24.8
Other operating expenses	0.0	-0.1	0.0	0.0
Operating profit	5.9	7.0	42.4	31.3
Profit from financial investments				
Financial income	0.2	0.0	0.2	0.0
Profit from investments in associated companies	-0.9	0.0	-1.8	-1.2
Financial expenses	-1.4	-1.3	-5.2	-4.3
Profit after financial items	3.8	5.7	35.6	25.8
Taxes	-0.0	-1.9	-7.9	-8.2
PROFIT FOR THE PERIOD	3.8	3.8	27.7	17.6
Income for the period attributable to:				
Parent company's shareholders	3.2	2.1	22.9	10.7
Non-controlling interests	0.6	1.7	4.8	6.9
PROFIT FOR THE PERIOD	3.8	3.8	27.7	17.6
Earnings per share before dilution, SEK	0.39	0.28	2.88	1.43
Earnings per share after dilution, SEK	0.39	0.28	2.88	1.43

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME, SEK MILLION	October -- December		January -- December	
	2020	2019	2020	2019
Profit for the period	3.8	3.8	27.7	17.6
Other comprehensive income for the period	0.0	0.0	0.0	0.0
Comprehensive income for the period	3.8	3.8	27.7	17.6
Comprehensive income for the period attributable to:				
Parent company's shareholders	3.2	2.1	22.9	10.7
Non-controlling interests	0.6	1.7	4.8	6.9
Comprehensive income for the period	3.8	3.8	27.7	17.6

¹ The amount refers to remeasurement of the liability for supplementary purchase price for the acquisition in 2019 of Nuway 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.

CONSOLIDATED BALANCE SHEET	31 Dec	31 Dec
SEK MILLION	2020	2019
ASSETS		
<i>Non-current assets</i>		
Intangible fixed assets	216.9	213.1
Right-of-use assets	49.4	63.8
Property, plant and equipment	3.7	4.6
Deferred tax assets	2.6	2.4
Other long-term receivables	3.9	4.7
Investments in associated companies	8.7	9.7
Total non-current assets	285.2	298.3
<i>Current assets</i>		
Trade receivables	132.8	147.9
Receivables from associated companies	2.2	6.1
Current tax assets	24.4	24.5
Other receivables	0.9	4.1
Prepaid expenses and accrued income	20.3	13.6
Cash and cash equivalents	46.4	27.5
Total current assets	227.0	223.7
TOTAL ASSETS	512.2	522.0
EQUITY AND LIABILITIES		
<i>Equity</i>		
Share capital	0.8	0.8
Other contributed capital	91.0	60.6
Retained earnings including profit for the period	34.2	25.3
Equity attributable to the parent company shareholders	126.0	86.7
Non-controlling interests	39.9	51.1
Total equity	165.9	137.8
<i>Non-current liabilities</i>		
Deferred tax liabilities	0.2	0.5
Other provisions	0.6	0.3
Interest-bearing long-term liabilities	26.8	105.9
Other non-current liabilities	0.0	14.1
Total non-current liabilities	27.6	120.8
<i>Current liabilities</i>		
Interest-bearing current liabilities	94.6	36.9
Trade payables	31.8	23.6
Current tax liabilities	0.0	1.7
Liabilities to associated companies	2.9	2.1
Other current liabilities	128.2	137.2
Accrued expenses and deferred income	61.2	61.9
Total current liabilities	318.7	263.4
TOTAL EQUITY AND LIABILITIES	512.2	522.0

CHANGES IN EQUITY	SHARE	CONTRIBUTED	RETAINED	TOTAL	NON-CONTROLLING	TOTAL
			OTHER	EARNINGS		
			INCLUDING	ATTRIBUTABLE TO		
<i>Group (SEK million)</i>	CAPITAL	CAPITAL	PROFIT FOR	PARENT COMPANY	INTERESTS	EQUITY
			THE YEAR	SHAREHOLDERS		
Opening equity as at 1 January 2019	0.7	53.9	38.3	92.9	29.5	122.4
Changed accounting policies IFRS 16			-1.4	-1.4	0.0	-1.4
Opening equity as at 1 January 2019						
including effects of changed accounting policies	0.7	53.9	36.9	91.5	29.5	121.0
Profit for the period			10.7	10.7	6.9	17.6
Other comprehensive income for the period				-	-	-
Comprehensive income for the period			10.7	10.7	6.9	17.6
<i>Transactions with shareholders:</i>						
Dividend			-16.7	-16.7	-4.4	-21.1
Change in shareholding in subsidiaries	0.1	6.7	-5.6	1.2	19.2	20.4
Total transactions with shareholders	0.1	6.7	-22.3	-15.5	14.8	-0.7
Closing equity as at 31 December 2019	0.8	60.6	25.3	86.7	51.1	137.8

CHANGES IN EQUITY	SHARE	CONTRIBUTED	RETAINED	TOTAL	NON-CONTROLLING	TOTAL
			OTHER	EARNINGS		
			INCLUDING	ATTRIBUTABLE TO		
<i>Group (SEK million)</i>	CAPITAL	CAPITAL	PROFIT FOR	PARENT COMPANY	INTERESTS	EQUITY
			THE YEAR	SHAREHOLDERS		
Opening equity as at 1 January 2020	0.8	60.6	25.3	86.7	51.1	137.8
Profit for the period			22.9	22.9	4.8	27.7
Other comprehensive income for the period			-	-	-	-
Comprehensive income for the period			22.9	22.9	4.8	27.7
Payment for warrants			0.9	0.9		0.9
<i>Transactions with shareholders:</i>						
Dividend					-6.5	-6.5
New issue through non-cash consideration and set-off	0.0	30.4		30.5		30.5
Change in shareholding in subsidiaries			-15.0	-15.0	-9.5	-24.5
Total transactions with shareholders	0.0	30.4	-15.0	15.5	-16.0	-0.5
Closing equity as at 31 December 2020	0.8	91.0	34.2	126.0	39.9	165.9

CONSOLIDATED CASH FLOW STATEMENT		1/10/2020	1/10/2019	1/1/2020	1/1/2019
SEK MILLION		31/12/2020	31/12/2019	31/12/2020	31/12/2019
Operating profit		5.9	7.0	42.4	31.3
Adjustment for non-cash items		5.8	2.8	25.5	27.0
Interest received		0.2	0.0	0.2	0.0
Interest paid		-1.4	-1.3	-5.2	-4.3
Income tax paid		-5.3	10.5	-11.2	-16.3
Cash flow from operating activities					
before change in working capital		5.2	19.0	51.7	37.7
Increase(-)/Decrease(+) in operating receivables		-7.0	5.5	20.0	29.9
Increase(+)/Decrease(-) in operating liabilities		13.0	17.6	-2.7	-12.4
Cash flow from operating activities		11.2	42.1	69.0	55.2
Investing activities					
Business combinations	Note 5	0.0	0.0	2.4	-11.1
Acquisition of property, plant and equipment		0.0	-0.4	-0.3	-1.9
Acquisition of intangible non-current assets		0.0	-1.2	-1.0	-4.7
Shareholders' contributions paid to associated companies for the year		-0.5	-0.8	-5.0	-5.0
Other changes in financial assets		1.0	0.0	0.9	0.0
Cash flow from investing activities		0.5	-2.4	-3.0	-22.7
Financing activities					
Loans raised		0.0	0.0	27.7	43.8
Amortisation of loans		-32.2	-21.6	-58.2	-42.5
Dividend paid to parent company shareholders		0.0	0.0	0.0	-16.7
Dividend paid to non-controlling interests		0.0	0.0	-6.5	-4.4
Transactions with non-controlling interests		0.0	-0.3	-10.1	-7.3
Cash flow from financing activities		-32.2	-21.9	-47.1	-27.1
Cash flow for the period		-20.5	17.8	18.9	5.4
Reconciliation of change in cash and cash equivalents					
Opening balance cash and cash equivalents		66.9	9.7	27.5	22.1
Closing balance cash and cash equivalents		46.4	27.5	46.4	27.5
Change in liquid assets		-20.5	17.8	18.9	5.4

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT SEK MILLION	October -- December		January -- December	
	2020	2019	2020	2019
Net sales	45.4	35.3	153.1	140.9
Other revenue	24.8	22.6	93.8	91.5
Operating revenue	70.2	57.9	246.9	232.4
Operating expenses				
Engagement-specific external expenses	-48.7	-37.5	-160.1	-147.9
Other external expenses	-9.5	-13.4	-35.1	-52.9
Staff costs	-13.6	-7.7	-54.8	-33.1
Depreciation/amortisation and impairment	-0.5	-0.4	-2.0	-1.2
Other operating expenses	0.1	0.0	0.0	0.0
Operating profit	-2.0	-1.1	-5.1	-2.7
Profit from financial investments				
Profit from investments in group companies	21.5	17.5	21.7	33.3
Other interest income and similar profit/loss items	0.9	0.9	1.0	1.0
Interest expense and similar profit/loss items	-0.4	-0.5	-2.0	-1.5
Profit after financial items	20.0	16.8	15.6	30.1
<i>Appropriations</i>				
Group contributions	5.6	1.2	5.6	1.2
Taxes	-0.9	-0.1	0.0	0.0
PROFIT FOR THE PERIOD	24.7	17.9	21.2	31.3

PARENT COMPANY BALANCE SHEET	31 Dec	31 Dec
SEK MILLION	2020	2019
ASSETS		
<i>Non-current assets</i>		
Intangible assets	5.1	5.1
Property, plant and equipment	1.3	2.0
	6.4	7.1
<i>Financial assets</i>		
Investments in group companies	296.1	265.5
Receivables from group companies	0.9	0.0
Investments in associated companies	13.7	16.5
Other long-term receivables	2.8	2.8
Deferred tax assets	0.7	0.7
	314.2	285.5
Total non-current assets	320.6	292.6
<i>Current assets</i>		
<i>Current receivables</i>		
Trade receivables	27.9	27.5
Receivables from group companies	76.8	74.7
Receivables from associated companies	1.8	5.7
Tax assets	0.5	1.3
Other receivables	6.6	-
Prepaid expenses and accrued income	8.2	5.1
	121.8	114.3
Cash and bank balances	37.8	10.2
Total current assets	159.6	124.5
TOTAL ASSETS	480.2	417.1
EQUITY AND LIABILITIES		
<i>Equity</i>		
<i>Restricted equity</i>		
Share capital	0.8	0.8
Statutory reserve	0.0	0.0
	0.8	0.8
<i>Non-restricted equity</i>		
Retained earnings	216.9	154.3
Profit for the period	21.2	31.3
	238.1	185.6
Total equity	238.9	186.4
<i>Non-current liabilities</i>		
Liabilities to credit institutions	0.0	64.6
Other non-current liabilities	0.0	0.0
Total non-current liabilities	0.0	64.6
<i>Current liabilities</i>		
Liabilities to credit institutions	62.9	12.8
Trade payables	7.0	6.8
Liabilities to group companies	148.2	113.2
Liabilities to associated companies	2.6	2.1
Other current liabilities	14.8	26.3
Accrued expenses and deferred income	5.8	4.9
Total current liabilities	241.3	166.1
TOTAL EQUITY AND LIABILITIES	480.2	417.1

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. 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 2019 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 the same accounting policies and valuation principles as in the Annual Report for 2019.

Government assistance

In accordance with IAS 20, Accounting for Government Grants and Disclosure of Government Assistance, government grants are recognised in the income statement when there is reasonable assurance that the grant will be received and that the company complies with any conditions attached to the grant. Grants are recognised in income on a systematic basis as other operating income over the period necessary to match them with the related costs or revenue foregone for which they are intended to compensate.

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. B3 changed its business area structure at the turn of the year 2019/2020. With a view to improving efficiency and creating better conditions for developing operations, the Nord business area, with companies in the towns of Sundsvall, Gävle and Borlänge, was integrated into the Digital Innovation and Digital Management business areas. The Group currently only conducts operations in Sweden. For further description of the business areas please refer to page 5 onwards.

Segment reporting	Digital Innovation		Digital Management		Cloud & Tech		Other ¹		Total	
	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4	Q4
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external clients	95.1	102.7	74.3	94.7	42.6	36.9	9.5	4.8	221.5	239.1
Revenue from other segments	1.8	2.0	0.0	3.8	2.2	3.9	-4.0	-9.7	0.0	0.0
Total revenue	96.9	104.7	74.3	98.5	44.8	40.8	5.5	-4.9	221.5	239.1
Operating profit	2.4	6.5	4.4	2.4	1.0	0.2	-1.9	-2.1	5.9	7.0
Operating margin	2.5%	6.2%	5.9%	2.4%	2.2%	0.5%	n.a.	n.a.	2.7%	2.9%

¹ Other includes group eliminations, group adjustments and parent company

As of 1 January 2020 the Nord business area is divided between the remaining business areas. Comparative figures for 2019 have been restated on the same principle.

For Q4 2019 this means an increase for Digital Management of SEK 18.4 million in revenue and an increase of SEK 0.8 million in operating profit. The difference for Digital Innovation is an increase in revenue of SEK 1.9 million and no effect on the operating profit.

Segment reporting	Digital Innovation		Digital Management		Cloud & Tech		Other ¹		Total	
	Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec		Jan-Dec	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external clients	375.0	326.5	297.4	353.3	159.1	137.6	19.9	22.1	851.4	839.5
Revenue from other segments	8.3	8.7	12.2	10.0	13.6	13.6	-34.1	-32.3		
Total revenue	383.3	335.2	309.6	363.3	172.7	151.2	-14.2	-10.2	851.4	839.5
Operating profit	21.2	26.7	17.5	10.0	9.6	1.7	-5.9	-7.1	42.4	31.3
Operating margin	5.5%	8.0%	5.7%	2.8%	5.6%	1.1%	n.a.	n.a.	5.0%	3.7%

¹ Other includes group eliminations, group adjustments and parent company

As of 1 January 2020 the Nord business area is divided between the remaining business areas. Comparative figures for 2019 have been restated on the same principle.

For January - December 2019 this means an increase for Digital Management of SEK 63.2 million in revenue and an increase of SEK 2.1 million in operating profit.

The difference for Digital Innovation is an increase in revenue of SEK 4.4 million and no effect on the operating profit.

Revenue broken down by segment and industry	Digital Innovation		Digital Management		Cloud & Tech		Other ¹		Total	
	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019	Q4 2020	Q4 2019
	Revenue from external clients	95.1	102.7	74.3	94.7	42.6	36.9	9.5	4.8	221.5
Revenue from other segments	1.8	2.0	0.0	3.8	2.2	3.9	-4.0	-9.7	0.0	0.0
Total revenue	96.9	104.7	74.3	98.5	44.8	40.8	5.5	-4.9	221.5	239.1
Industry sector										
Government agency, municipality	6.8	6.2	16.6	26.1	16.5	14.2	3.3	4.0	43.2	50.5
Banking, finance, insurance	11.6	16.9	21.8	25.6	5.6	4.2	0.2	-0.4	39.2	46.4
Care	5.4	2.4	13.0	12.6	2.6	2.2	0.2	0.3	21.3	17.5
IT, media, entertainment	16.4	19.6	3.0	2.5	6.1	3.4	1.0	-0.2	26.6	25.3
Industry	16.5	18.3	2.3	7.9	1.9	3.9	-0.1	-0.1	20.6	29.9
Transport/Logistics	5.1	3.0	5.4	6.2	2.0	2.0	0.0	0.3	12.6	11.5
Telecoms	5.9	3.5	3.1	3.4	1.4	2.0	0.4	1.2	10.9	10.0
Retail	12.1	16.9	0.5	1.9	0.5	0.7	0.0	-0.6	13.1	18.9
Other	15.4	15.9	8.5	8.6	5.8	4.3	4.4	0.3	34.1	29.2
Total revenue	95.1	102.7	74.3	94.7	42.6	36.9	9.5	4.8	221.5	239.1

Revenue broken down by segment and industry	Digital Innovation		Digital Management		Cloud & Tech		Övrigt ¹		Totalt	
	Jan - Dec		Jan - Dec		Jan - Dec		Jan - Dec		Jan - Dec	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Revenue from external clients	375.0	326.5	297.4	353.3	159.1	137.6	19.9	22.1	851.4	839.5
Revenue from other segments	8.3	8.7	12.2	10.0	13.6	13.6	-34.1	-32.3	0.0	0.0
Total revenue	383.3	335.2	309.6	363.3	172.7	151.2	-14.2	-10.2	851.4	839.5
Industry sector										
Government agency, municipality	28.5	19.3	74.9	97.2	59.5	48.3	12.4	12.4	175.4	177.1
Banking, finance, insurance	46.9	42.4	83.6	92.9	22.0	15.8	-0.9	0.8	151.5	151.9
Care	16.5	11.4	47.0	48.0	10.2	5.9	1.3	2.6	74.9	68.0
IT, media, entertainment	67.5	82.0	11.6	7.8	18.1	18.2	1.5	2.1	98.8	110.0
Industry	63.4	58.4	13.7	30.7	12.1	14.6	-0.6	1.2	88.5	104.9
Transport/Logistics	17.3	9.5	21.1	24.7	7.2	7.3	-0.4	1.3	45.1	42.8
Telecoms	19.9	10.8	11.3	15.2	4.9	7.0	1.4	2.3	37.5	35.3
Retail	58.1	45.1	2.1	8.8	1.1	4.1	-0.9	15.9	60.4	73.9
Other	57.0	47.7	32.1	27.9	24.0	16.4	6.1	-16.4	119.2	75.6
Total revenue	375.0	326.5	297.4	353.3	159.1	137.6	19.9	22.1	851.4	839.5

¹ Other includes group eliminations, group adjustments and parent company

NOTE 3 KEY FIGURES - GROUP (SEK MILLION)	October -- December		January -- December	
	2020	2019	2020	2019
	Net sales	221.5	239.1	851.4
Sales growth %	-7.4%	17.5%	1.4%	15.6%
Operating profit before depreciation/amortisation and impairment (EBITDA)	13.0	13.2	70.0	56.1
Operating margin before depreciation/amortisation and impairment (EBITDA) %	5.9%	5.5%	8.2%	6.7%
Operating profit (EBIT)	5.9	7.0	42.4	31.3
Operating margin (EBIT) %	2.7%	2.9%	5.0%	3.7%
Equity-assets ratio %	32.4%	26.4%	32.4%	26.4%
Average number of employees	624	686	652	642
Average number of co-workers	642	708	673	669
Closing number of employees	621	685	621	685
Closing number of co-workers	640	712	640	712
Balance sheet total	512.2	522.0	512.2	522.0
Return on equity %	2.4%	2.8%	18.2%	13.5%
Earnings per share, SEK	0.39	0.28	2.88	1.43

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.

Use: The key figure is used to provide a picture of the company's total revenue for services and goods sold during the period.

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 non-current 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.

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 comparison with other companies in the industry.

EBITA

Definition: Operating profit before any impairment of intangible assets.

Use: The key figure is presented as it is a measure of a company's financial performance. The company considers that the key figure contributes to investors' understanding of the company's performance if there has been an impairment loss on intangible assets during the period and over time.

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.

Use: The balance sheet total provides a picture of the company's assets at a certain point in time. The balance sheet total is used when calculating other key figures, such as equity/assets ratio.

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).

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

Debt/equity ratio

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 measure provides a good picture of the company's performance.

Derivation of certain key figures

SEK MILLION unless otherwise stated	Oct -- Dec		Jan -- Dec	
	2020	2019	2020	2019
Sales	221.5	239.1	851.4	839.5
Increased sales compared with previous year	-17.6	35.6	11.9	113.2
Sales growth	-7.4%	17.5%	1.4%	15.6%
Operating profit	5.9	7.0	42.4	31.3
Depreciation/amortisation and impairment	7.1	6.2	27.6	24.8
Operating profit before depreciation/amortisation and impairment EBITDA	13.0	13.2	70.0	56.1
Operating profit before depreciation/amortisation and impairment EBITDA	13.0	13.2	70.0	56.1
Net sales	221.5	239.1	851.4	839.5
Operating margin before depreciation/amortisation and impairment (EBITDA), %	5.9%	5.5%	8.2%	6.7%
Operating profit EBIT	5.9	7.0	42.4	31.3
Operating profit	5.9	7.0	42.4	31.3
Net sales	221.5	239.1	851.4	839.5
Operating margin (EBIT), %	2.7%	2.9%	5.0%	3.7%
Operating profit	5.9	7.0	42.4	31.3
Impairment loss on intangible non-current assets	0.0	0.0	0.0	0.0
Operating profit before depreciation/amortisation EBITA	5.9	7.0	42.4	31.3
Equity including non-controlling interests.	165.9	137.8	165.9	137.8
Balance sheet total	512.2	522.0	512.2	522.0
EQUITY-ASSETS RATIO	32.4%	26.4%	32.4%	26.4%
Profit after tax	3.8	3.8	27.7	17.6
Equity including non-controlling interests opening balance	152.1	136.0	137.8	122.4
Equity including non-controlling interests closing balance	165.9	137.8	165.9	137.8
Average equity	159.0	136.9	151.9	130.1
Return on equity, %	2.4%	2.8%	18.2%	13.5%
Interest-bearing long-term liabilities	-26.8	-105.9	-26.8	-105.9
Interest-bearing current liabilities	-94.6	-36.9	-94.6	-36.9
Cash and cash equivalents	46.4	27.5	46.4	27.5
Net debt(-)/Net cash balance(+) incl. IFRS 16	-75.0	-115.3	-75.0	-115.3
Interest-bearing long-term liabilities	-1.4	-78.2	-1.4	-78.2
Interest-bearing current liabilities	-79.1	-21.8	-79.1	-21.8
Cash and cash equivalents	46.4	27.5	46.4	27.5
Net debt(-)/Net cash balance(+) excl. IFRS 16	-34.1	-72.5	-34.1	-72.5

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 (15.0) 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 5 BUSINESS ACQUISITIONS

B3 acquires the remaining 50% of B3 Cloud Services AB, which thereby becomes a subsidiary instead of an associated company. As of 1 January 2020 the company is included as a subsidiary. B3 Cloud Services AB was started in July 2017 as an associated company of the B3 Consulting Group AB (publ).

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

B3 Cloud Services AB	
Fair value of acquired	
assets and liabilities SEK million	100%
Non-current assets	0.57
Current assets excluding cash	4.94
Cash and bank balances including current investments	2.44
Liabilities	-6.19
Net identifiable assets and liabilities	1.75
Purchase price	5.75
Fair value of identifiable net assets	-1.76
Goodwill	3.99
Impact of the acquisition on the Group's cash and cash equivalents	
Cash consideration paid	-0.03
Cash and cash equivalents in acquired subsidiary	2.44
Impact on the Group's cash and cash equivalents on acquisition	2.42

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 accordance with the resolution of the Annual General Meeting of 14 May 2020, B3 Consulting Group AB (publ) has acquired, through a new non-cash issue, outstanding shares in subsidiaries from the minority shareholders of B3 Alenio Consulting AB and B3 Financial Consulting AB, and thereby increased the holdings to 100 per cent in both companies, as well as Rebel and Bird AB, and thereby increased the holding to 75 per cent. The B3 Consulting Group AB (publ) has previously acquired 58 per cent of the

outstanding shares in subsidiaries from the minority shareholders in B3 Nuway AB. As part of the acquisition the final purchase price will be regulated through a resolution of the Annual General Meeting on 14 May 2020 concerning a set-off issue directed at the minority shareholders of B3 Nuway AB. Subscription for the maximum number of shares that can be issued was reached on 15 May 2020 when those entitled to subscribe decided to subscribe for the full number of shares to which they are entitled under the issue resolution. The decision means that the share capital increased by SEK 68,000 to SEK 820,987:50 through a new issue of 688,000 shares to a total of 8,209,875 shares.

As approved by the Annual General Meeting on 14 May 2020 the final settlement was made for the acquisition of shares in the subsidiaries Rebel and Bird AB and B3 Financial Consulting AB on 16 November 2020. The final settlement was made through a set-off issue of new shares in B3 Consulting Group AB (publ) directed at the previous shareholders of the acquired companies. All shares were subscribed for by the entitled shareholders. Thus the share capital of the B3 Consulting Group AB (publ) increased by a total of SEK 20,050.90 through a new issue totalling 200,509 shares.

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 2020 was 57, compared with 57 in the same period of the previous year.