

# Good growth, stronger positioning on a weaker market

### Third quarter 2019 compared to 2018

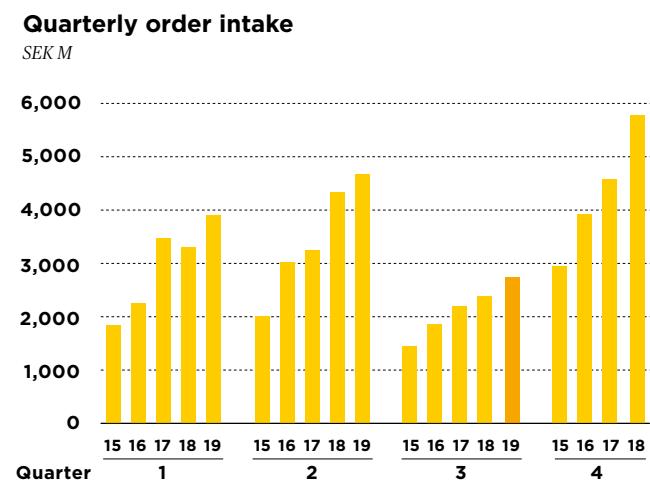
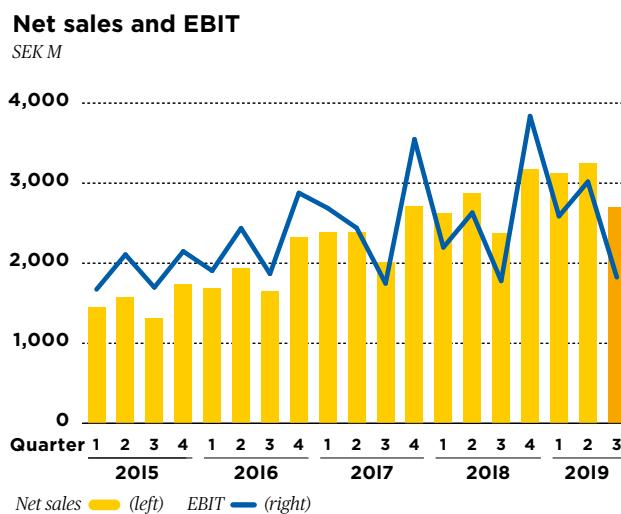
- Net sales increased by 14% to SEK 2,702 M (2,370).
- EBIT was up by 3% to SEK 18.8 M (18.3).
- Order intake rose by 15% to SEK 2,743 M (2,390).
- Earnings per share after tax after dilution were SEK 0.77 (0.73), a 6% increase.

## First nine months of 2019 compared to 2018

- Net sales increased by 15% to SEK 9,078 M (7,863).
- EBIT was up by 12% to SEK 75.9 M (67.6).
- Earnings per share after tax after dilution were SEK 3.11 (2.85), a 9% increase.

*“The trends we saw in the first half-year continued in the third quarter. Ework consolidated its market position with new business, while also noting a cyclical slowdown.”*

Zoran Covic, CEO



CEO's STATEMENT

# Market position continues to strengthen



**The tendencies we saw in the first half-year continued in the third quarter. Ework consolidated its market position with new business, while also noting a cyclical slowdown**

Ework's net sales were up by 14% to SEK 2,702 M on the third quarter of the previous year. EBIT rose by 3% to SEK 18.8 M.

The market deterioration that we reported in the year resulted in a somewhat lower growth rate. The third quarter is our weakest in seasonal terms, and higher expenses were a contributor to earnings growth below sales growth. The cost increase is partly linked to the launch and implementation of our internal and external system platform. We're working continuously on reviewing our costs, and in the period, continued taking measures to keep costs under control in forthcoming quarters.

Some alteration of our sales mix is another factor contributing to a somewhat narrower EBIT margin. A larger share of assignments were signed with consultants already serving clients instead of straight consultant appointments, which means a lower margin. In my view, this is also a cyclical effect, driven by the growing base of available consultants.

We're continuing to strengthen our market positioning with new business, securing several new and attractive framework agreements, and kept increasing our share of business wins, or hit rate. The latter is especially pleasing given the larger base of available consultants, and thus competition on the market. The total number of assignment enquiries reduced.

Our operations in Norway and Poland stood out with high growth numbers. Sweden is in stable growth, but with a notable slowdown, and EBIT did decrease. Income decreased somewhat in Finland and Denmark, which were thus unable to continue their growth in the prevailing market conditions. Here, we're working long term to advance our market positioning and secure new business clients, but in the period, we prioritised measures to promote profitability, and earnings improved on both markets.

The cyclical slowdown is now evident across more companies and sectors. We're well prepared to keep strengthening our market position in a downturn, and after extensive investments in our recently developed digital platform, we've sharpened our competitiveness. A weaker market presents opportunities for Ework.

Zoran Covic, CEO  
Stockholm, Sweden, 22 October 2019

THIRD QUARTER 2019

# Continuing to advance our market position

## Market

The consulting market was somewhat weaker than the previous year, as we anticipated after the first and second quarters. The demand for consultants for new assignments remained positive, but a somewhat lower activity level on the market compared to previously was apparent in most of the skills segments where Ework is active. Ework's demand indicators revealed a notable downturn through a lower number of assignment enquiries received, and more applications from consultants.

## The Group's net sales

Consolidated net sales for the third quarter were up by 14% to SEK 2,702 M (2,370). For the first nine months of the year, net sales increased by 15% to SEK 9,078 M (7,863). Sweden and Poland—reported jointly—generated the highest growth in absolute terms. Norway contributed the highest growth in percentage terms.

Sales growth was restrained by some cyclical demand slowdown.

## The Group's earnings

The Group's EBIT for the third quarter increased by 3% to SEK 18.8 M (18.3). EBIT for the first nine months of 2019 increased by 12% to SEK 75.9 M (67.6). Profit after financial items was SEK 16.4 M (16.6). Profit after tax for the quarter was SEK 13.3 M (12.6). Profit after tax for the first nine months was SEK 53.6 M (49.1). The main explanation for the profit increase being lower than the sales increase is higher costs for Ework's system platform, staff and other external expenses, as well as some shift in the sales makes towards somewhat lower-margin business. The adoption of IFRS 16 involves a reallocation of expenses relating to leases. For the first nine months, other external expenses decreased by SEK 16.4 M, depreciation and amortisation increased by SEK 16.1 M, and interest expenses increased by SEK 1.2 M. Accordingly, the adoption of IFRS 16 resulted in a SEK 0.9 M deterioration of profit after tax for the first nine months compared to the corresponding period of the previous year.

## Comments on progress

The Group's order intake increased by 15% on the third quarter of the previous year to SEK 2,743 M (2,390). Order intake includes new assignments and extensions. Order intake varies between quarters due to differences in how contracts are extended, which makes interpreting the numbers more difficult, although Ework's opinion is that the lower growth rate of order intake is partly due to cyclically weaker demand.

The number of consultants on assignment increased by 11%, to peak at 10,463 (9,387).

## Sweden

The Swedish operation performed positively. Quarterly net sales were up by 14% to SEK 2,204 M (1,930). For the first nine months of the year, net sales increased by 15% to SEK 7,442 M (6,462). This increase is partly due to new clients and assignments secured in the period, but the sales mix was less positive, with a higher share of lower-margin business. EBIT for the quarter was SEK 17.1 M (21.7). For the first nine months, EBIT was up by 5% to SEK 69.6 M (66.2). The numbers for the Sweden segment include the Polish operation, which is maintaining its positive progress with a maximum of 452 consultants on assignment, a 59% increase on the corresponding period of the previous year.

### **Norway**

The net sales of the Norwegian operation rose by 34% to SEK 275.3 M (205.7). Net sales for the first nine months of the year were SEK 919.9 M (636.4), a 45% increase. EBIT rose to SEK 0.9 M (-0.3), and to SEK 8.4 M (2.9) for the first nine months. The sales gains are primarily due to good growth of new business clients.

### **Finland**

Net sales in the Finnish operation decreased in the quarter, to SEK 117.7 M (123.9). Net sales for the first nine months of the year reduced to SEK 388.4 M (403.1). Previous cost reductions enabled earnings to turn positive, despite sales decreasing. EBIT was SEK 1.0 M (-1.0) for the quarter, and SEK 3.0 M (-1.5) for the first nine months of the year.

### **Denmark**

Net sales decreased to SEK 104.3 M (110.1) in the third quarter, and net sales were SEK 327.8 M (361.5) in the first nine months of the year. The decrease is a result of a limited client base and individual clients downscaling their consultant purchasing. EBIT was SEK -0.3 M (-2.1) for the quarter, and SEK -5.1 M (-0.1) for the first nine months. Ework has taken measures to adapt its costs to lower sales.

### **Financial position**

The equity/assets ratio at the end of the period was 4.0% (4.5). The somewhat lower equity/assets ratio is because of increased working capital due to Ework's continued sales growth.

Cash flow from operating activities for the third quarter was SEK 22.4 M (40.9). Payments from clients and to consultants are made at month-ends. A modest shift in payments made or received can have a significant effect on cash flow at a specific time. The firm holds a SEK 470 M credit facility for support services offering faster payments to consultants. Accounts receivable have been pledged as collateral for this facility.

### **Workforce**

The average number of employees increased to 304 (298) excluding employees hired for projects. The increase is due to new hirings relating to the company's growth and initiatives previously reviewed.

### **Parent Company**

The Parent Company's net sales for the third quarter were SEK 2,119 M (1,882). Profit before financial items was SEK 13.7 M (22.2) and profit after tax was SEK 9.4 M (16.8).

The Parent Company's equity at the end of the quarter was SEK 97.8 M (102.0) and the equity/assets ratio was 3.5% (4.2). At the end of the quarter, participations in Group companies were SEK 34.2 M (22.1), the increase consisting of a new share issue by the Polish subsidiary. Otherwise, the above comments regarding the Group's financial position also apply to the Parent Company where appropriate.

### **Subsequent events**

No significant events have occurred after the end of the reporting period.

**Material risks and uncertainty factors**

Ework has received a claim from the Norwegian tax authority based on a several liability from a previous subcontractor's unpaid taxes and social security contributions for the period 2013-2016, of some SEK 10 M. Ework is contesting this claim and views the risk as low.

Otherwise, Ework's material business risks, for the Group and Parent Company, consist of reduced demand for consulting services, difficulties in attracting and retaining skilled staff, credit risks, and to a lesser extent, currency risks. The firm is not aware of any new material business risks over the next six months. For a more detailed review of material risks and uncertainty factors, please refer to Ework's Annual Report.

**Outlook**

In February 2016, Ework expressed the ambition of achieving average sales growth of 20% and an average increase of earnings per share of 20% per year in the years 2016 to 2020 inclusive. In the light of earnings performance in 2018, Ework does not expect to fully achieve its financial target for EPS for the period 2016-2020.

As stated in previous quarterly reports, Ework considers that the somewhat weaker market means that achieving its growth target for EPS for 2019 will be more challenging than expected. As a weaker market has been confirmed in the third quarter, the previously announced target to increase earnings per share by 20 percent in 2019 will not be reached.

Zoran Covic, CEO  
Stockholm, Sweden, 22 October 2019

**Key performance data**

SEK 000	July-September 2019	July-September 2018	January-September 2019	January-September 2018	Rolling 4 quarters Oct 18-Sep 19	Full year 2018
Net sales	2,701,606	2,369,868	9,078,281	7,863,476	12,250,418	11,035,613
EBIT	18,775	18,306	75,874	67,627	114,778	106,531
Profit before tax	16,368	16,633	68,259	64,612	105,360	101,713
Profit for the period	13,339	12,570	53,613	49,118	83,387	78,892
Sales growth, %	14.0	17.8	15.4	15.8	15.7	16.1
EBIT margin, %	0.7	0.8	0.8	0.9	0.9	1.0
Profit margin, %	0.6	0.7	0.8	0.8	0.9	0.9
Return on equity, %	36.6	41.2	49.0	46.8	63.2	51.3
Total assets	3,382,972	2,852,578	3,382,972	2,852,578	3,382,972	3,316,630
Equity	135,988	127,917	135,988	127,917	135,988	155,610
Equity/assets ratio, %	4.0	4.5	4.0	4.5	4.0	4.7
Acid test ratio, %	102	103	102	103	102	104
Average number of employees	304	298	308	294	307	297
Net sales per employee	8,875	7,953	29,456	26,747	39,969	37,157

**Key ratios per share**

Earnings per share before dilution, SEK	0.77	0.73	3.11	2.85	4.84	4.58
Earnings per share after dilution, SEK	0.77	0.73	3.11	2.85	4.84	4.58
Equity per share before dilution, SEK	7.9	7.4	7.9	7.4	7.9	9.0
Equity per share after dilution, SEK	7.9	7.4	7.9	7.4	7.9	9.0
Cash flow from operating activities per share before dilution, SEK	1.30	2.37	-2.88	0.32	-1.37	1.83
Cash flow from operating activities per share after dilution, SEK	1.30	2.37	-2.88	0.32	-1.37	1.83
Number of shares outstanding at end of period before dilution (000)	17,240	17,240	17,240	17,240	17,240	17,240
Number of shares outstanding at end of period after dilution (000)	17,240	17,240	17,240	17,240	17,240	17,240
Average number of shares outstanding before dilution (000)	17,240	17,240	17,240	17,240	17,240	17,240
Average number of shares outstanding after dilution (000)	17,240	17,240	17,240	17,240	17,240	17,240

## Shareholders

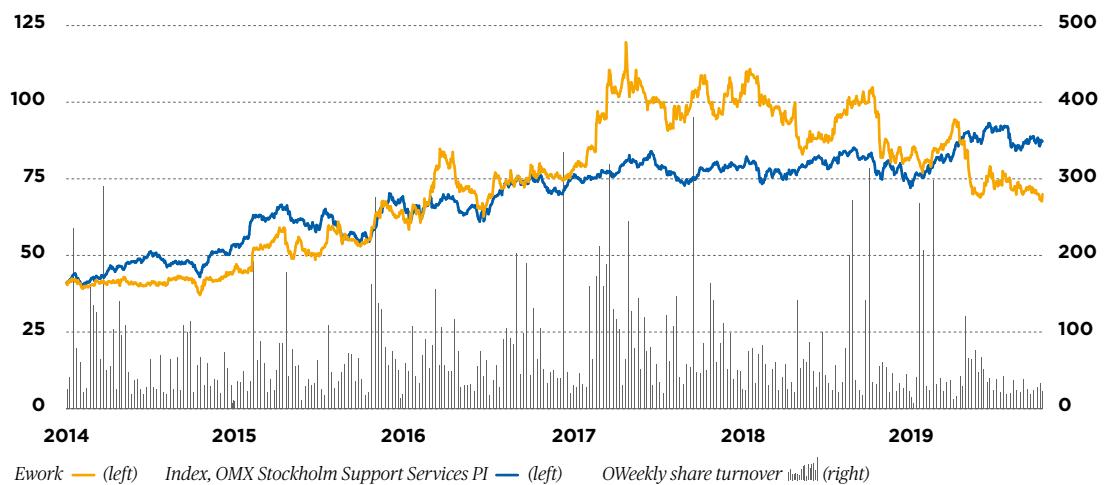
<i>As of 30 September 2019</i>	<b>No. of shares</b>	<b>Votes and equity</b>
Staffan Salén and family through company <sup>1)</sup>	4,794,428	27.8%
Försäkringsbolaget Avanza Pension	3,123,150	18.1%
Investment AB Öresund	1,826,988	10.6%
Protector Forsikring ASA	1,720,499	10.0%
Katarina Salén, private and through family company	473,962	2.7%
Patrik Salén and family through company	400,000	2.3%
Ålandsbanken on behalf of shareholders	378,480	2.2%
Erik Åfors through company	277,291	1.6%
Claes Ruthberg	180,000	1.0%
Nordnet Pensionsförsäkring AB	164,238	1.0%
<b>Sub-total</b>	<b>13,339,036</b>	<b>77.4%</b>
Other	3,900,639	22.6%
<b>Total</b>	<b>17,239,675</b>	<b>100%</b>

<sup>1)</sup> *Salénia AB*

## The Ework share

SEK

Share turnover, 000



Ework — (left) Index, OMX Stockholm Support Services PI — (left) OWeekly share turnover (right)



## Consolidated Statement of Income and Other Comprehensive Income

SEK 000	Note	July-September 2019	July-September 2018	January-September 2019	January-September 2018	Rolling 4 quarters Oct 18-Sep 19	Full year 2018
<b>Operating income</b>							
Net sales	1	2,701,606	2,369,868	9,078,281	7,863,476	12,250,418	11,035,613
Other operating income	-		29	-	31	36	67
<b>Total operating income</b>		<b>2,701,606</b>	<b>2,369,897</b>	<b>9,078,281</b>	<b>7,863,507</b>	<b>12,250,454</b>	<b>11,035,680</b>
<b>Operating costs</b>							
Cost of consultants on assignment		-2,596,267	-2,273,690	-8,722,734	-7,533,749	-11,765,727	-10,576,742
Work performed by the company for its own use and capitalized		7,696	5,431	14,163	7,989	18,647	12,473
Other external costs		-28,507	-23,379	-80,096	-79,452	-109,214	-108,570
Personnel costs		-58,541	-58,023	-192,152	-186,608	-256,031	-250,487
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets		-7,213	-1,930	-21,589	-4,060	-23,352	-5,823
<b>Total operating costs</b>		<b>-2,682,831</b>	<b>-2,351,591</b>	<b>-9,002,407</b>	<b>-7,795,880</b>	<b>-12,135,676</b>	<b>-10,929,149</b>
<b>Earnings before interest and taxes</b>		<b>18,775</b>	<b>18,306</b>	<b>75,874</b>	<b>67,627</b>	<b>114,778</b>	<b>106,531</b>
<b>Profit from financial items</b>							
Net financial income/expense		-2,407	-1,673	-7,615	-3,015	-9,418	-4,818
<b>Profit after financial items</b>		<b>16,368</b>	<b>16,633</b>	<b>68,259</b>	<b>64,612</b>	<b>105,360</b>	<b>101,713</b>
Tax		-3,029	-4,063	-14,646	-15,494	-21,973	-22,821
<b>Profit for the period</b>		<b>13,339</b>	<b>12,570</b>	<b>53,613</b>	<b>49,118</b>	<b>83,387</b>	<b>78,892</b>
<b>Other comprehensive income</b>							
<i>Items that have been reclassified, or are reclassifiable, to profit or loss</i>							
Translation differences on translation of foreign operations for the period		125	-544	4,344	4,687	1,900	2,243
<b>Other comprehensive income for the period</b>		<b>125</b>	<b>-544</b>	<b>4,344</b>	<b>4,687</b>	<b>1,900</b>	<b>2,243</b>
<b>Comprehensive income for the period</b>		<b>13,464</b>	<b>12,026</b>	<b>57,957</b>	<b>53,805</b>	<b>85,287</b>	<b>81,135</b>
<b>Earnings per share</b>							
before dilution (SEK)		0.77	0.73	3.11	2.85	4.84	4.58
after dilution (SEK)		0.77	0.73	3.11	2.85	4.84	4.58
<i>Number of shares outstanding at end of reporting period:</i>							
before dilution (000)		17,240	17,240	17,240	17,240	17,240	17,240
after dilution (000)		17,240	17,240	17,240	17,240	17,240	17,240
<i>Average number of outstanding shares:</i>							
before dilution (000)		17,240	17,240	17,240	17,240	17,240	17,240
after dilution (000)		17,240	17,240	17,240	17,240	17,240	17,240



## Consolidated Statement of Financial Position

SEK 000	30 September 2019	30 September 2018	31 December 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	43,043	29,695	32,882
Property, plant and equipment	5,392	4,926	5,235
Right-of-use assets	46,978	-	-
Non-current receivables	1,390	5,658	1,905
<b>Total non-current assets</b>	<b>96,803</b>	<b>40,279</b>	<b>40,022</b>
<b>Current assets</b>			
Accounts receivable	3,014,718	2,553,980	3,038,540
Prepaid expenses and accrued income	156,202	127,010	84,410
Tax receivables	4,310	-	-
Other receivables	15,724	12,291	15,713
Cash and cash equivalents	95,215	119,018	137,945
<b>Total current assets</b>	<b>3,286,169</b>	<b>2,812,299</b>	<b>3,276,608</b>
<b>Total assets</b>	<b>3,382,972</b>	<b>2,852,578</b>	<b>3,316,630</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	2,241	2,241	2,241
Other paid-up capital	59,636	59,273	59,636
Translation reserve	3,890	1,990	-454
Retained earnings including profit for the period	70,221	64,413	94,187
<b>Total equity</b>	<b>135,988</b>	<b>127,917</b>	<b>155,610</b>
<b>Non-current liabilities</b>			
Lease liabilities	23,325	-	-
<b>Total non-current liabilities</b>	<b>23,325</b>	<b>-</b>	<b>-</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	470,000	350,000	350,000
Lease liabilities	19,424	-	-
Accounts payable	2,685,480	2,324,124	2,716,781
Tax liabilities	-	1,198	5,333
Other liabilities	12,953	18,675	42,861
Accrued expenses and deferred income	35,801	30,664	46,045
<b>Total current liabilities</b>	<b>3,223,658</b>	<b>2,724,661</b>	<b>3,161,020</b>
<b>Total equity and liabilities</b>	<b>3,382,972</b>	<b>2,852,578</b>	<b>3,316,630</b>



## Consolidated Statement of Changes in Equity

SEK 000	Share capital	Other paid-up capital	Translation reserve	Retained earnings incl. profit for the period	Total equity
<b>Opening equity, 1 Jan. 2018</b>	<b>2,241</b>	<b>59,273</b>	<b>-2,697</b>	<b>92,874</b>	<b>151,691</b>
<b>Comprehensive income for the period</b>					
Profit for the period				49,118	49,118
Other comprehensive income for the period			4,687		4,687
<b>Comprehensive income for the period</b>			<b>4,687</b>	<b>49,118</b>	<b>53,805</b>
<b>Transactions with the Group's shareholders</b>					
Dividends				-77,579	-77,579
<b>Closing equity, 30 Sep. 2018</b>	<b>2,241</b>	<b>59,273</b>	<b>1,990</b>	<b>64,413</b>	<b>127,917</b>
<b>Opening equity, 1 Oct. 2018</b>	<b>2,241</b>	<b>59,273</b>	<b>1,990</b>	<b>64,413</b>	<b>127,917</b>
<b>Comprehensive income for the period</b>					
Profit for the period				29,774	29,774
Other comprehensive income for the period			-2,444		-2,444
<b>Comprehensive income for the period</b>			<b>-2,444</b>	<b>29,774</b>	<b>27,330</b>
<b>Transactions with the Group's shareholders</b>					
Premiums deposited on issuance of share warrants			363		363
<b>Closing equity, 31 Dec. 2018</b>	<b>2,241</b>	<b>59,636</b>	<b>-454</b>	<b>94,187</b>	<b>155,610</b>
<b>Opening equity, 1 Jan. 2019</b>	<b>2,241</b>	<b>59,636</b>	<b>-454</b>	<b>94,187</b>	<b>155,610</b>
<b>Comprehensive income for the period</b>					
Profit for the period				53,613	53,613
Other comprehensive income for the period			4,344	-	4,344
<b>Comprehensive income for the period</b>			<b>4,344</b>	<b>53,613</b>	<b>57,957</b>
<b>Transactions with the Group's shareholders</b>					
Dividends				-77,579	-77,579
<b>Closing equity, 30 Sep. 2019</b>	<b>2,241</b>	<b>59,636</b>	<b>3,890</b>	<b>70,221</b>	<b>135,988</b>



## Consolidated Statement of Cash Flows

SEK 000	July-September 2019	July-September 2018	January-September 2019	January-September 2018	Rolling 4 quarters Oct 18-Sep 19	Full year 2018
<b>Operating activities</b>						
Profit after financial items	16,368	16,633	68,259	64,612	105,360	101,713
Adjustment for items not included in cash flow	7,213	1,930	21,589	4,060	23,352	5,823
Income tax paid	-6,412	-5,557	-22,048	-19,582	-27,592	-25,126
<b>Cash flow from operating activities before changes in working capital</b>	<b>17,168</b>	<b>13,006</b>	<b>67,799</b>	<b>49,090</b>	<b>101,119</b>	<b>82,410</b>
Cash flow from changes in working capital	5,223	27,920	-117,419	-43,584	-124,773	-50,938
Increase (-)/decrease (+) in operating receivables	257,220	338,361	-23,868	61,303	-482,418	-397,247
Increase (+)/decrease (-) in operating liabilities	-251,997	-310,441	-93,551	-104,887	357,645	346,309
<b>Cash flow from operating activities</b>	<b>22,391</b>	<b>40,926</b>	<b>-49,620</b>	<b>5,506</b>	<b>-23,654</b>	<b>31,472</b>
<b>Investing activities</b>						
Acquisition of property, plant & equipment	-474	-129	-1,338	-421	-2,085	-1,168
Acquisition of intangible assets	-7,695	-5,467	-14,279	-8,164	-18,825	-12,710
<b>Cash flow from investing activities</b>	<b>-8,169</b>	<b>-5,596</b>	<b>-15,617</b>	<b>-8,585</b>	<b>-20,910</b>	<b>-13,878</b>
<b>Financing activities</b>						
Premiums deposited on issuance of share warrants	-	-	-	-	363	363
Dividend paid to Parent Company shareholders	-	-	-77,579	-77,579	-77,579	-77,579
Amortisation of lease liability	-5,441	-	-16,422	-	-16,422	-
Borrowings	-	-	120,000	149,829	120,000	149,829
<b>Cash flow from financing activities</b>	<b>-5,441</b>	<b>-</b>	<b>25,999</b>	<b>72,250</b>	<b>26,362</b>	<b>72,613</b>
<b>Cash flow for the period</b>	<b>8,780</b>	<b>35,330</b>	<b>-39,239</b>	<b>69,171</b>	<b>-18,203</b>	<b>90,207</b>
Cash and cash equivalents at beginning of period	88,568	84,187	137,945	48,630	119,018	48,630
Exchange rate difference	-2,133	-499	-3,491	1,217	-5,600	-892
<b>Cash and cash equivalents at end of period</b>	<b>95,215</b>	<b>119,018</b>	<b>95,215</b>	<b>119,018</b>	<b>95,215</b>	<b>137,945</b>



## Parent Company Income Statement

SEK 000	July-September 2019	July-September 2018	January-September 2019	January-September 2018	Rolling 4 quarters Oct 18-Sep 19	Full year 2018
<b>Operating income</b>						
Net sales	2,118,663	1,881,586	7,220,194	6,323,893	9,818,455	8,922,154
Other operating income	7,523	7,393	28,351	20,992	32,441	25,082
<b>Total operating income</b>	<b>2,126,186</b>	<b>1,888,979</b>	<b>7,248,545</b>	<b>6,344,885</b>	<b>9,850,896</b>	<b>8,947,236</b>
<b>Operating costs</b>						
Cost of consultants on assignment	-2,043,551	-1,806,578	-6,959,043	-6,072,973	-9,455,623	-8,569,553
Work performed by the company for its own use and capitalized	7,696	5,431	14,163	7,989	18,647	12,473
Other external costs	-35,299	-23,601	-100,478	-73,831	-127,918	-101,271
Personnel costs	-39,610	-40,259	-134,225	-134,907	-179,988	-180,670
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets	-1,679	-1,773	-5,019	-3,616	-6,622	-5,219
<b>Total operating costs</b>	<b>-2,112,442</b>	<b>-1,866,780</b>	<b>-7,184,601</b>	<b>-6,277,338</b>	<b>-9,751,503</b>	<b>-8,844,240</b>
<b>Earnings before interest and taxes</b>	<b>13,744</b>	<b>22,199</b>	<b>63,944</b>	<b>67,547</b>	<b>99,393</b>	<b>102,996</b>
<b>Profit/loss from financial items</b>						
Other interest income and similar items	234	551	3,285	2,404	2,243	1,362
Interest expense and similar items	-2,003	-1,492	-6,277	-3,514	-7,864	-5,101
<b>Profit after financial items</b>	<b>11,975</b>	<b>21,258</b>	<b>60,952</b>	<b>66,437</b>	<b>93,772</b>	<b>99,257</b>
Tax	-2,623	-4,469	-13,359	-14,880	-20,747	-22,268
<b>Profit for the period *</b>	<b>9,352</b>	<b>16,789</b>	<b>47,593</b>	<b>51,557</b>	<b>73,025</b>	<b>76,989</b>

\* Profit for the period is consistent with comprehensive income for the period.



## Parent Company Balance Sheet

SEK 000	30 September 2019	30 September 2018	31 December 2018
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	43,043	29,695	32,882
Property, plant and equipment	3,611	3,050	3,530
<b>Financial assets</b>			
Other non-current receivables	633	4,931	1,182
Participations in Group companies	34,215	22,084	22,084
<b>Total financial assets</b>	<b>34,848</b>	<b>27,015</b>	<b>23,266</b>
<b>Total non-current assets</b>	<b>81,502</b>	<b>59,760</b>	<b>59,678</b>
<b>Current assets</b>			
Accounts receivable	2,438,497	2,088,087	2,561,357
Receivables from Group companies	134,532	98,469	107,316
Other receivables	2,654	3	90
Tax receivables	3,323	561	-
Prepaid expenses and accrued income	87,174	88,761	54,154
Cash and bank balances	27,552	66,274	51,435
<b>Total current assets</b>	<b>2,693,732</b>	<b>2,342,155</b>	<b>2,774,352</b>
<b>Total assets</b>	<b>2,775,234</b>	<b>2,401,915</b>	<b>2,834,030</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<i>Restricted equity</i>			
Share capital (17,239,675 shares with par value of SEK 0.13)	2,241	2,241	2,241
Statutory reserve	6,355	6,355	6,355
Development fund	42,409	23,738	32,174
<b>Total restricted equity</b>	<b>51,005</b>	<b>32,334</b>	<b>40,770</b>
<i>Non-restricted equity</i>			
Share premium reserve	9,405	40,486	40,848
Retained earnings	-10,235	-22,419	-30,855
Profit for the period	47,593	51,557	76,989
<b>Total non-restricted equity</b>	<b>46,763</b>	<b>69,624</b>	<b>86,982</b>
<b>Total equity</b>	<b>97,768</b>	<b>101,958</b>	<b>127,752</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	470,000	350,000	350,000
Accounts payable	2,164,018	1,897,471	2,280,246
Tax liabilities	-	1,195	4,889
Liabilities to Group companies	12,688	13,793	15,285
Other liabilities	3,807	15,512	22,142
Accrued expenses and deferred income	26,953	21,986	33,716
<b>Total current liabilities</b>	<b>2,677,466</b>	<b>2,299,957</b>	<b>2,706,278</b>
<b>Total equity and liabilities</b>	<b>2,775,234</b>	<b>2,401,915</b>	<b>2,834,030</b>

### Accounting policies

The Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and appropriate provisions of the Swedish Annual Accounts Act. The Interim Report for the Parent Company has been prepared in accordance with chapter 9 of the Swedish Annual Accounts Act, on interim financial reporting.

Ework is applying IFRS 16 Leases, which replaces IAS 17 Leases, effective 1 January 2019. On adoption, lease liabilities are measured at the present value of the remaining lease charges, discounted by the Group's incremental borrowing rate on the date of initial application (DOIA), 1 January 2019. The right-of-use asset is measured as an amount corresponding to the lease liability adjusted for prepaid lease charges by SEK 5,131 k. The opening effect in the Consolidated Statement of Financial Position as of 1 January 2019 was SEK 63,060 k for the right to use the asset and SEK 57,929 k for the total lease debt, and relates mainly to leases on the Group's office premises, and to a lesser extent, company cars.

The Group has decided not to report right-of-use assets at lease liabilities for leases with a lease term of 12 months or less, or on underlying assets of low value. The lease charges for these leases are recognised as an expense on a straight-line basis over the lease term.

The carrying amount of accounts receivable, other receivables, cash and cash equivalents, accounts payable and other liabilities are reasonable approximations of fair value.

Otherwise, the accounting policies and computation methods are unchanged compared to those applied in the annual accounts for 2018.

The operations in Poland are reported in the segment for Sweden.

### Note 1 The Group's operating segments

Third quarter 2019 compared to the third quarter 2018

SEK 000	Sweden Jul-Sep		Finland Jul-Sep		Denmark Jul-Sep		Norway Jul-Sep		Total Jul-Sep	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income from clients	2,204,412	1,930,169	117,651	123,940	104,267	110,099	275,276	205,660	2,701,606	2,369,868
Profit per segment	29,849	26,334	1,905	-683	553	-1,921	2,888	-297	35,195	23,433
Group-wide expenses	-12,727	-4,674	-863	-344	-885	-141	-1,942	32	-16,419	-5,127
<b>EBIT</b>	<b>17,122</b>	<b>21,660</b>	<b>1,042</b>	<b>-1,027</b>	<b>-332</b>	<b>-2,062</b>	<b>945</b>	<b>-265</b>	<b>18,775</b>	<b>18,306</b>
Net financial items	-	-	-	-	-	-	-	-	-2,407	-1,673
<b>Profit/loss for the period before tax</b>									<b>16,368</b>	<b>16,633</b>

January - September 2019 compared to the same period of 2018

SEK 000	Sweden Jan-Sep		Finland Jan-Sep		Denmark Jan-Sep		Norway Jan-Sep		Total Jan-Sep	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income from clients	7,442,155	6,462,485	388,412	403,107	327,814	361,534	919,900	636,350	9,078,281	7,863,476
Profit per segment	110,929	117,628	6,143	1,908	-1,989	2,763	14,595	6,590	129,678	128,889
Group-wide expenses	-41,345	-51,402	-3,190	-3,368	-3,104	-2,835	-6,162	-3,657	-53,803	-61,262
<b>EBIT</b>	<b>69,584</b>	<b>66,226</b>	<b>2,953</b>	<b>-1,460</b>	<b>-5,093</b>	<b>-72</b>	<b>8,432</b>	<b>2,933</b>	<b>75,874</b>	<b>67,627</b>
Net financial items	-	-	-	-	-	-	-	-	-7,615	-3,015
<b>Profit/loss for the period before tax</b>									<b>68,259</b>	<b>64,612</b>

## Review report

**To the Board of Directors of Ework Group AB (publ)**  
**Corp. id. 556587-8708**

### Introduction

We have reviewed the condensed interim financial information (interim report) of Ework Group AB (publ) as of 30 September 2019 and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Stockholm 22 October 2019

KPMG AB

Mattias Johansson  
*Authorized Public Accountant*

## Definitions

*Ework Group utilises a number of financial metrics in Interim Reports and Annual Reports that are not defined according to IFRS, known as alternative performance measures, according to ESMA (the European Securities and Markets Authority) guidelines.*

*A number of metrics and key indicators appearing in Interim Reports and the Annual Report are defined below. Most should be considered generally accepted, and of such nature that they could be expected to be presented in Interim Reports and the Annual Report to convey a view of the Group's results of operations, profitability and financial position as expected by existing and prospective investors/shareholders for their research into Ework Group.*

Key indicator	Definition and usage
<i>Earnings per share</i>	Profit for the period in relation to the number of outstanding shares after dilution at period-end. Defined in IAS 33.
<i>Equity/assets ratio</i>	Reported equity in relation to reported total assets at period-end. Metric illustrating interest rate sensitivity and financial stability.
<i>Equity per share</i>	Equity in relation to the number of shares outstanding after dilution at the end of the period. Metric illustrating shareholders' proportion of total net assets per share.
<i>Operating margin, EBIT</i>	EBIT in relation to net sales.
<i>Profit margin</i>	Profit after financial items in relation to net sales.
<i>Quick ratio</i>	Current assets in relation to current liabilities.
<i>Return on equity</i>	Profit for the period in relation to average equity in the period. Return on equity is restated at an annualized rate in interim reporting. A profitability metric that illustrates returns on the capital shareholders invested in operations in the period.
<i>Sales growth</i>	Net sales for the period less net sales for the comparative period in relation to net sales for the comparative period.

*Ework Group is a market-leading and independent consultant provider operating in northern Europe, which focuses on IT, telecom, technology, and business development. Without having consultants employed, Ework can impartially match every assignment with the right competence from the whole market. Ework was founded in Sweden in 2000, and is now active in Sweden, Denmark, Norway, Finland and Poland. The firm has framework agreements with over 170 leading corporations in most sectors, and over 10,000 consultants on assignment. Ework's head office is in Stockholm. Its shares are listed on Nasdaq Stockholm.*

---

### **Ework Group AB (publ)**

Mäster Samuelsgatan 60  
SE-111 21 Stockholm  
Sweden  
Tel: +46 (0) 8 50 60 55 00  
Corporate ID no. Org. nr. 556587-8708

### **Forthcoming financial reports**

Year-end Report 2019	13 February 2020
Annual Report 2019	early-April 2020

### **Contacts for more information**

Zoran Covic, CEO	+46 (0)8 506 05500	mobile +46 (0)70 665 65 17
Ola Maalsnes, CFO	+46 (0)8 506 05500	mobile +46 (0)73 868 22 90

