

Ework keeps winning business on an uncertain market

“We can sum up a challenging quarter featuring the global covid-19 pandemic. With revenue down by 4% and EBIT of SEK 30 M, just below the previous year, Ework fared relatively well in the quarter. Demand has turned upwards, but not to previous levels, and uncertainty remains substantial.”

Zoran Covic, CEO

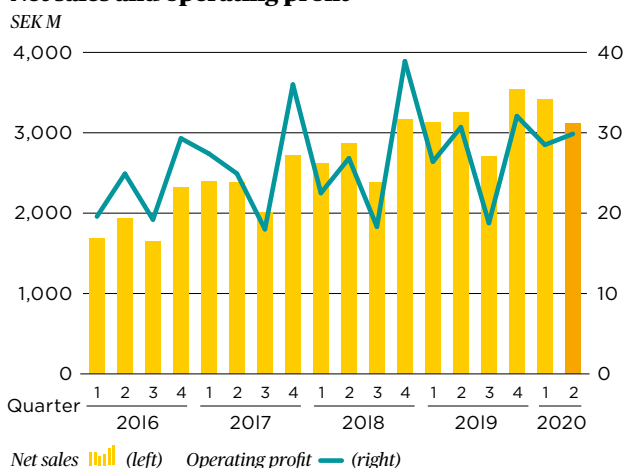
Second quarter 2020 compared to 2019

- Net sales decreased by 4% to SEK 3,121 M (3,249).
- EBIT decreased by 3% to SEK 29.9 M (30.7).
- Profit after financial items decreased by 7% to SEK 25.5 M (27.5).
- Order intake decreased by 14% to SEK 4,026 M (4,675).
- Earnings per share after tax before and after dilution were SEK 1.18 (1.23), an 4% decrease.
- The downturn of net sales and earnings is due to lower demand and client projects terminated due to covid-19. These effects have been limited by rapid action to reduce costs.
- Earnings include government covid-19 support, which improved it by SEK 3.3 M.
- SEK 4.1 M (0) of restructuring expenses were charged to earnings.
- Ework continued to win new customers of which several was won with the digital platform Verama as an important element.

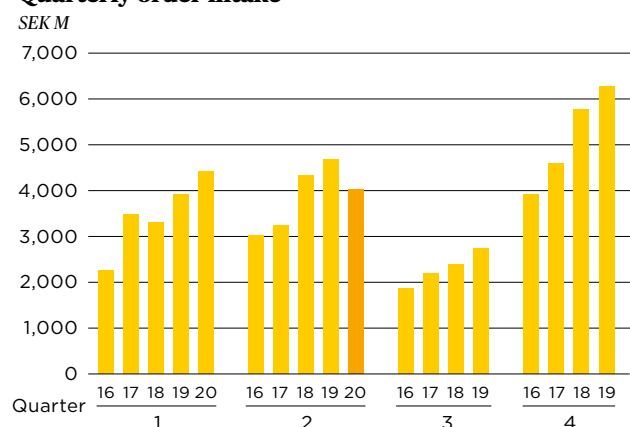
First half-year 2020 compared to 2019

- Net sales increased by 2% to SEK 6,534 M (6,377).
- EBIT increased by 2% to SEK 58.3 M (57.1).
- Profit after financial items increased by 2% to SEK 53.0 M (51.9).
- Earnings per share after tax before and after dilution were SEK 2.49 (2.34), an 6% increase.

Net sales and operating profit



Quarterly order intake



CEO's statement

A challenging quarter—with commendable efforts



We can sum up a challenging quarter featuring the global covid-19 pandemic. With revenue down by 4% and EBIT of SEK 30 M, just below the previous year, Ework fared relatively well in the quarter. Demand has turned upwards, but not to previous levels, and uncertainty remains substantial.

Ework was in a good starting position when covid-19 altered the playing-field for businesses at the end of the first quarter. Demand fell dramatically and quickly, while uncertainty was very substantial. Looking back at the quarter, we lost volume, but less than feared. At quarter-end, we had 9,747 consultants on assignment, compared to 10,369 at the beginning of the quarter. Demand has recovered more, and faster, than in our most negative scenarios, but we're moving into the third quarter with a smaller revenue base than the previous quarter, and also down on the corresponding point of the previous year.

Our colleagues made a really great effort to get our business working, largely remotely. We quickly implemented costs-saving measures across the line and have utilised support for staff furloughs. This has enabled us to limit the need for permanent staff downsizing, although some necessary lay-offs have been made. Overall, these actions generated non-recurring expenses of SEK 4.1 M, and the support we received in the quarter was SEK 3.3 M.

The effects of covid-19 were most tangible in our Swedish business, largely because of its significant share of manufacturing and retail clients. Any effects in Denmark and Norway were very limited, with the Norwegian business especially making very robust progress with high growth and earnings gains. The Finnish operation was more affected by revenue losses resulting from the covid-19 situation, but its earnings improved because of previous actions taking effect.

As early as last quarter, we noted how Ework's services do well in cyclical downturns. We succeeded in realigning quickly to remote working, and took opportunities that opened up on the market.

At the end of the quarter, we launched the Verama brand that we integrate our digital services for clients and consultants under, and that is based on our proprietary platform. In the quarter, we continued to sell and implement Verama VMS, which helps clients address their consultant needs effectively—always at the right price. The latter is especially in-demand in a weaker market. We secured several attractive deals for new business clients including a leading global security provider, airport operator Swedavia and the Swedish police service. I think the Verama platform played a decisive role in these cases. As a result, we continued to advance our market position.

We kept working on launching Verama's consultant module. Ework Services are our collective services which give the consultants the opportunity to present themselves and identify attractive assignments, with the chance to use a portfolio of support services. In the period, we took a step we'd previously announced, charging consultants for Ework Services for new assignment appointments. Eventually, Ework Services may grow into an attractive, complementary revenue source for Ework.

Uncertainty on the market remains substantial and we're following progress very closely. We will therefore continue to adapt our costs to how the market develops. We have a strong financial position, not least through our AGM resolution to not pay a dividend this year. I anticipate opportunities to consolidate our market position further will keep appearing, which we are well prepared to exploit.

Zoran Covic, CEO
Stockholm, Sweden 16 July, 2020

SECOND QUARTER 2020

A challenging quarter —progressive recovery

Market

The demand for consultants for new assignments dropped heavily early in the quarter, to then begin recover progressively. Several major clients closed down temporarily, resulting in consultant contracts terminating in advance. Ework judges that these effects reduced our base of consultants on assignment by nearly 800 from its peak of 10,369. As demand has turned upwards, the number of consultants on assignment has stabilised, albeit at a lower level.

Ework's demand indicators suggest a recovery of demand for consulting services, but Ework judges that general economic uncertainty is substantial.

Business model and revenue streams

In the period, Ework continued the launch of Verama, its technologically sophisticated supplier portal for consultants and consultant providers. Verama radically improves consultants' potential to identify relevant assignments with a state-of-the-art interface, new and enhanced functionality, and AI support. Ework took the step of charging consultants for new assignment appointments for the first time in tandem with the launch of Ework Services, which has been well received overall.

Verama VMS, the part of our digital platform that addresses to clients, has continued to be implemented with more and more customers during the second quarter. The effects of covid-19 had only a limited negative impact on this business. We think the platform is fairly acyclical, because it streamlines client operations and has positive cost effects in a way that rapidly creates client benefits even in cyclical downturns.

The Group's net sales

The Group's net sales decreased by 4% to SEK 3,121 M (3,249) in the second quarter. Net sales for the first half-year increased by 2% to SEK 6,534 M (6,377). Ework received total covid-19 support of SEK 3.3 M in the quarter, of which furlough support of SEK 2.6 M was received in the second quarter, reported under other operating income.

Total operating income was SEK 3,124 M (3,249) in the

second quarter, and SEK 6,537 M (6,377) in the first half-year. The downturn in the quarter was due to reduced demand for consulting services, and some clients terminating consultant contracts in advance as an effect of the covid-19 pandemic. The effect was severe early in the quarter, but was followed by a recovery and stabilisation. However, our revenue base in terms of consultants on assignment was lower at the end of the quarter than at the beginning. The reduction in sales and earnings was primarily apparent in the Swedish and Finnish businesses, but other segments were less affected. The Norwegian operation continued to perform strongly, Denmark also increased revenues while the revenues decreased in Finland.

The Group's earnings

The Group's EBIT for the second quarter was down by 3% to SEK 29.9 M (30.7). EBIT for the first half-year 2020 increased by 2% to SEK 58.3 M (57.1).

Earnings were negatively impacted by decreased business activity resulting from covid-19. Cost savings were implemented quickly, and reduced working-hours through furloughs were implemented from April, which limited the need for permanent staff downsizing. General cost reductions and necessary staff downsizing were conducted to address lower demand and a smaller revenue base. Earnings for the quarter include non-recurring expenses of SEK 4.1 M for staff downsizing, and government covid-19 support of SEK 3.3 M, including furlough support applied for of SEK 2.6 M.

The earnings increase for the first half-year due to higher revenue and Ework's regenerated client proposition was well received.

Ework's investments in its digital platform, which have continued for several years, continued as planned in the period, and also generated costs in the second quarter, without being covered by the cost decreases adopted. A portion of these expenses were capitalised according to the same principles as previously. Ework expects the cost of these initiatives to be lower this year than the previous year. Their effect on EBIT is stated in the adjacent table.

SEK M	Apr-Jun 2020	Apr-Jun 2019	Jan-Jun 2020	Jan-Jun 2019	2019
Expenses for digitalisation	-11.6	-12.3	-31.3	-23.3	-56.5
Capitalised expenses for digitalisation	4.8	3.9	9.7	6.5	18.8
Impact on EBIT of expenses for digitalisation	-6.8	-8.4	-21.6	-16.8	-37.7

Net financial income/expense for the first half-year was SEK -5.3 M (-5.2), of which the interest expense was SEK -4.3 M (-5.0). Net financial income/expense for the quarter was SEK -4.3 M (-3.3), of which the interest expense was SEK 2.0 M (2.9).

Profit after financial items was SEK 25.5 M (27.5). Profit after financial items for the first half-year amounted to SEK 53.0 M (51.9). Profit after tax for the quarter was SEK 20.4 M (21.3). Profit after tax for the first half-year was SEK 42.9 M (40.3).

Comments on progress

The group's order intake was down by 14% on the second quarter of the previous year at SEK 4,026 M (4,675), and decreased by 2% to SEK 8,452M (8,584) for the first half-year 2020. Order intake includes new assignments and extensions. The number of consultants on assignment peaked at 10,364 (10,356), but was lower at the end of the period.

Sweden

Net sales for the quarter reduced by 6% to SEK 2,514 M (2,671), the decrease due to the demand downturn and some clients terminating consultant contracts in advance due to covid-19. Furloughs, staff reductions and general cost savings were implemented. EBIT decreased by 32%, and amounted to SEK 19.2 M (28.1).

Net sales for the first half-year increased by 1% to SEK 5,313 M (5,238). EBIT for the half-year decreased by 23% to SEK 40.1 M (52.4).

The Polish operation, which is included in this segment, continued its positive progress in the period compared to the previous year, despite the impact of covid-19.

Norway

The net sales of the Norwegian operation increased by 13% to SEK 372.6 M (330.7). EBIT increased by 82% to SEK 8.4 M (4.6). The sales gains are due to continued strong progress of the operation's market position, and increased demand from current and new business clients. The Norwegian operation was only marginally impacted by covid-19 due to its exposure to sectors whose effect in the period was limited.

Net sales for the first half-year were up by 14% SEK to SEK 736.7 M (644.6). EBIT for the first half-year increased by 80% to SEK 13.5 M (7.5).

Denmark

The Danish operation's recovery after reduced volume from a major client in the previous year continued its positive progress in terms of sales and earnings. Net sales

were up by 18% to SEK 126.4 M (107.5). EBIT for the period improved to SEK -0.3 M (-3.2). The Danish operation was impacted marginally by the effects of covid-19 in the period due to its exposure to sectors whose effect in the period was limited.

Net sales for the first half-year increased by 10% to SEK 246.0 M (223.5). EBIT for the first half-year was SEK -0.6 M (-4.7).

Finland

The net sales of the Finnish operation decreased by 23% to SEK 107.7 M (139.5). EBIT increased to SEK 2.6 M (1.2). The revenue decrease is due to reduced client business activity resulting from covid-19.

Net sales for the first half-year decreased by 12%, amounting to SEK 238.5 M (270.8). EBIT increased by 178% to SEK 5.3 M (1.9). The earnings improvement in the quarter and first half-year is the result of organisational measures and a focus on profitability.

Financial position and cash flow

The equity/assets ratio at the end of the period was 5.5% (3.4). The higher equity/assets ratio is mainly because of this year's decision not to pay a dividend to shareholders.

Cash flow from operating activities for the second quarter was SEK 129.1 M (-11.9). The non-payment of dividend has a positive impact on cash flow compared to the second quarter of 2019. Payments from clients and to consultants are 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 550 M (470) credit facility for support services for faster payments. Accounts receivable have been pledged as collateral for this facility. The firm also has an overdraft facility of SEK 30 M. Total unutilised credit facilities at the end of the period were SEK 151.6 M.

Workforce

The average number of employees in the second quarter was 273 (311), with the decrease being a result of staff reductions adopted to counter the downturn in demand and revenue and since long driven efficiencies. The average number of employees includes 130 people in the Swedish operations who are 20% furloughed.

Parent Company

The Parent Company's net sales for the second quarter were SEK 2,415 M (2,599). Profit after financial items was SEK 6.9 M (26.3), and profit after tax was SEK 5.4 M (20.5).

The Parent Company's equity was SEK 160.5 M (88.4) at the end of the quarter, and its equity/assets ratio was 5.6% (3.0). The higher equity/assets ratio compared to

the previous year is due to this year's decision not to pay a dividend to shareholders due to the effects of covid-19. Otherwise, and where applicable, the above comments on the Group's financial position also apply to the Parent Company.

Net sales for the first half-year amounted to SEK 5,108 M (5,102). EBIT for the half-year was SEK 32.1 M (50.2).

Subsequent events

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

Significant risks and uncertainty factors

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. For the remainder of the year, Ework's risks are impacted by the current Covid-19 pandemic and its effects on wider society and the economy. This means a risk of reduced

demand for consulting services. Meanwhile, regulatory decisions and necessary consideration of safety aspects may imply a risk of disruptions in operations, for Ework's own staff and for consultants on assignment.

The claim from the Norwegian tax agency of some SEK 10 M as previously reported remains. Ework is contesting its payment liability, and considers its risk as low.

For a more detailed review of material risks and uncertainties, please refer to Ework's Annual Report.

Other information

The firm has three outstanding stock option programmes that are part of an incentive programme for senior managers adopted by the AGM 2017. It resolved to issue a total of 120,000 share warrants per year in the period 2017-2019.

In 2019, 47,600 stock options were issued with an exercise price of SEK 86.84, which mature in 2022. In 2018, 87,500 stock options were issued with an exercise price of SEK 113.66, which mature in 2021. In 2017, 120,000 stock options were issued with an exercise price of SEK 124.66, which mature in 2020.

Outlook

General economic uncertainty has increased since the end of the first quarter as a result of the global covid-19 pandemic and the actions governments around the world have taken to mitigate the spread of the new coronavirus. After severely reduced client business activity at the end of the first quarter, Ework noted a recovery in the second quarter. Ework takes a positive long-term view of its potential to keep growing, and as in previous cyclical downturns, business opportunities that Ework has good potential to exploit may appear. However, after a reduction in the number of consultants on assignment, we are going into the second half-year with a lower revenue base than at the beginning of the second quarter, and compared to one year previously. The cost reductions executed are designed to fine-tune operations and adapt costs to this new revenue level. With continued uncertainty on how the economy will develop, Ework has decided not to make any new statement regarding the outlook for sales and earnings per share for 2020.

Zoran Covic, CEO
Stockholm, Sweden 16 July, 2020

This Report has not been subject to review by the company's auditor.

The information disclosed in this Interim Report is mandatory for Ework Group AB (publ) to publish pursuant to the EU's Market Abuse Regulation (MAR). This information was submitted for publication at 11:00 a.m. (CET) on 16 July 2020, through the agency of the CEO.

KEY PERFORMANCE DATA

SEK 000	April-June 2020	April-June 2019	January-June 2020	January-June 2019	Rolling 4 quarters Jul. '19-Jun. '20	Full year 2019
Net sales	3,120,914	3,249,054	6,533,738	6,376,675	12,778,368	12,621,305
EBIT	29,864	30,713	58,344	57,099	109,188	107,942
Profit before tax	25,521	27,452	53,033	51,891	97,741	96,599
Profit for the period	20,406	21,259	42,892	40,274	77,908	75,290
Sales growth, %	-3.9	13.2	2.5	16.1	25.1	14.4
EBIT margin, %	1.0	0.9	0.9	0.9	0.9	0.9
Profit margin, %	0.8	0.8	0.8	0.8	0.8	0.8
Return on equity, %	46.8	61.1	49.2	57.9	49.7	48.0
Total assets	3,495,317	3,625,577	3,495,317	3,625,577	3,495,317	3,854,186
Equity	190,918	122,524	190,918	122,524	190,918	158,107
Equity/assets ratio, %	5.5	3.4	5.5	3.4	5.5	4.1
Acid test ratio, %	103.1	100.9	103.1	100.9	100.9	102.0
Average number of employees	273	311	287	310	296	306
Net sales per employee	11,432	10,447	22,766	20,570	43,243	41,246
KEY RATIOS PER SHARE						
Earnings per share before dilution, SEK	1.18	1.23	2.49	2.34	4.52	4.37
Earnings per share after dilution, SEK	1.18	1.23	2.49	2.34	4.52	4.37
Equity per share before dilution, SEK	11.1	7.1	11.1	7.1	11.1	9.2
Equity per share after dilution, SEK	11.1	7.1	11.1	7.1	11.1	9.2
Cash flow from operating activities per share before dilution, SEK	7.49	-0.69	4.41	-4.18	9.86	1.27
Cash flow from operating activities per share after dilution, SEK	7.49	-0.69	4.41	-4.18	9.86	1.27
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

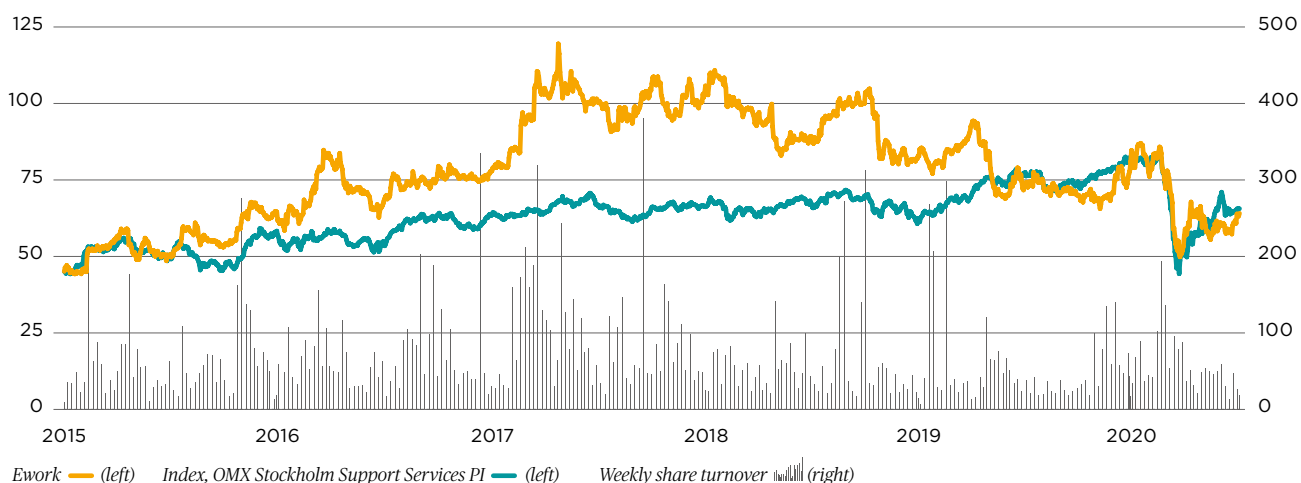
As of 30 June 2020	No. of shares	Votes and equity
Staffan Salén and family through company ¹⁾	4,916,975	28.5%
Försäkringsbolaget Avanza Pension	3,209,719	18.6%
Protector Forsikring ASA	1,720,499	10.0%
Investment AB Öresund	1,599,240	9.3%
Katarina Salén, private and through family company	473,962	2.7%
Patrik Salén and family through company	406,500	2.4%
Ålandsbanken, on behalf of shareholders	378,180	2.2%
Erik Åfors through company	377,291	2.2%
Claes Ruthberg	180,000	1.0%
Nordnet Pensionsförsäkring AB	149,710	0.9%
Sub-total	13,412,076	77.8%
Other	3,827,599	22.2%
Total	17,239,675	100.0%

¹⁾ Salénia AB

The Ework share

SEK

Share turnover, 000



Consolidated Statement of Income and Other Comprehensive Income

SEK 000	Note	April-June 2020	April-June 2019	January- June 2020	January- June 2019	Rolling 4 quarters Jul. '19-Jun. '20	Full year 2019
Operating income							
Net sales	1	3,120,914	3,249,054	6,533,738	6,376,675	12,778,368	12,621,305
Other operating income		2,799	-	2,819	-	2,855	36
Total operating income		3,123,713	3,249,054	6,536,557	6,376,675	12,781,223	12,621,341
Operating costs							
Cost of consultants on assignment		-3,008,206	-3,122,280	-6,294,046	-6,126,467	-12,289,590	-12,122,011
Work performed by the company for its own use and capitalized		4,752	3,908	9,736	6,467	22,116	18,847
Other external costs		-24,335	-25,106	-56,254	-51,589	-123,256	-118,591
Personnel costs		-58,205	-67,685	-122,172	-133,611	-250,490	-261,929
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets		-7,854	-7,178	-15,477	-14,376	-30,815	-29,714
Total operating costs		-3,093,848	-3,218,341	-6,478,213	-6,319,576	-12,672,035	-12,513,399
Earnings before interest and taxes		29,864	30,713	58,344	57,099	109,188	107,942
Profit from financial items							
Net financial income/expense		-4,343	-3,261	-5,311	-5,208	-11,447	-11,344
Profit after financial items		25,521	27,452	53,033	51,891	97,741	96,599
Tax		-5,114	-6,193	-10,141	-11,617	-19,833	-21,309
Profit for the period		20,406	21,259	42,892	40,274	77,908	75,290
Other comprehensive income							
<i>Items that have been reclassified, or are reclassifiable, to profit or loss</i>							
Translation differences on translation of foreign operations for the period		-7,642	2,196	-10,081	4,219	-9,627	4,673
Other comprehensive income for the period		-7,642	2,196	-10,081	4,219	-9,627	4,673
Comprehensive income for the period		12,764	23,455	32,811	44,493	68,281	79,963
Earnings per share							
before dilution (SEK)		1.18	1.23	2.49	2.34	4.52	4.37
after dilution (SEK)		1.18	1.23	2.49	2.34	4.52	4.37
<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 June 2020	30 June 2019	31 December 2019
Assets			
Non-current assets			
Intangible assets	53,184	36,720	46,355
Property, plant and equipment	4,743	5,255	5,095
Right-of-use assets	52,913	47,010	53,268
Deferred tax asset	3,306	-	4,974
Non-current receivables	1,888	1,377	1,212
Total non-current assets	116,034	90,362	110,904
Current assets			
Accounts receivable	3,072,608	3,312,047	3,357,687
Tax receivables	7,518	3,159	2,098
Other receivables	17,618	16,248	15,629
Prepaid expenses and accrued income	116,600	115,193	131,281
Cash and cash equivalents	164,940	88,568	236,588
Total current assets	3,379,283	3,535,215	3,743,282
Total assets	3,495,317	3,625,577	3,854,186
Equity and liabilities			
Equity			
Share capital	2,241	2,241	2,241
Other paid-up capital	59,749	59,636	59,749
Translation reserve	-5,862	3,765	4,219
Retained earnings including profit for the period	134,790	56,882	91,898
Total equity	190,918	122,524	158,107
Non-current liabilities			
Lease liabilities	26,037	-	27,733
Total non-current liabilities	26,037	-	27,733
Current liabilities			
Current interest-bearing liabilities	428,398	470,000	550,000
Lease liabilities	22,309	47,618	20,989
Accounts payable	2,724,965	2,915,505	3,019,859
Other liabilities	41,799	33,215	33,138
Accrued expenses and deferred income	60,892	36,715	44,360
Total current liabilities	3,278,362	3,503,053	3,668,346
Total equity and liabilities	3,495,317	3,625,577	3,854,186

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
Opening equity, 1 Jan. 2019	2,241	59,636	-454	94,187	155,610
Comprehensive income for the period					
Profit for the period				40,274	40,274
Other comprehensive income for the period			4,219		4,219
Comprehensive income for the period			4,219	40,274	44,493
Transactions with the Group's shareholders					
Dividends				-77,579	-77,579
Closing equity, 30 June 2019	2,241	59,636	3,765	56,882	122,524
Opening equity, 1 July 2019	2,241	59,636	3,765	56,882	122,524
Comprehensive income for the period					
Profit for the period				35,016	35,016
Other comprehensive income for the period			454		454
Comprehensive income for the period			454	35,016	35,470
Transactions with the Group's shareholders					
Premiums deposited on issuance of share warrants		113			113
Closing equity, 31 Dec. 2019	2,241	59,749	4,219	91,898	158,107
Opening equity, 1 Jan. 2020	2,241	59,749	4,219	91,898	158,107
Comprehensive income for the period					
Profit for the period				42,892	42,892
Other comprehensive income for the period			-10,081		-10,081
Comprehensive income for the period			-10,081	42,892	32,811
Closing equity, 30 June 2020	2,241	59,749	-5,862	134,790	190,918

Consolidated Statement of Cash Flows

SEK 000	April-June 2020	April-June 2019	January-June 2020	January-June 2019	Rolling 4 quarters Jul. '19-Jun. '20	Full year 2019
Operating activities						
Profit after financial items	25,520	27,452	53,033	51,891	97,741	96,599
Adjustment for non-cash items	7,854	7,178	15,477	14,376	30,815	29,714
Income tax paid	-7,410	-6,412	-18,127	-15,636	-31,151	-28,660
Cash flow from operating activities before changes in working capital	25,964	28,218	50,383	50,631	97,405	97,653
Cash flow from changes in working capital	103,095	-40,124	25,617	-122,642	72,512	-75,747
Increase (-)/decrease (+) in operating receivables	420,503	-115,378	267,470	-281,088	194,425	-354,133
Increase (+)/decrease (-) in operating liabilities	-317,408	75,254	-241,853	158,446	-121,913	278,386
Cash flow from operating activities	129,060	-11,906	76,000	-72,011	169,917	21,906
Investing activities						
Acquisition of property, plant & equipment	231	-567	-486	-864	-1,709	-2,087
Acquisition of intangible assets	-4,752	-3,915	-9,736	-6,584	-22,115	-18,963
Cash flow from investing activities	-4,521	-4,482	-10,221	-7,448	-23,823	-21,050
Financing activities						
Premiums deposited on issuance of share warrants	-	-	-	-	113	113
Dividend paid to Parent Company shareholders	-	-77,579	-	-77,579	-	-77,579
Amortisation of lease liability and borrowings	-80,549	-5,070	-133,730	-10,981	-145,637	-22,888
Borrowings	-	70,000	-	120,000	80,000	200,000
Cash flow from financing activities	-80,549	-12,649	-133,730	31,440	-65,524	99,645
Cash flow for the period	43,990	-29,037	-67,951	-48,019	80,569	100,501
Cash and cash equivalents at beginning of period	124,902	119,029	236,587	137,945	88,568	137,945
Exchange rate difference	-3,952	-1,424	-3,696	-1,358	-3,952	-1,859
Cash and cash equivalents at end of period	164,940	88,568	164,940	88,568	164,940	236,587

Parent Company Income Statement

SEK 000	April-June 2020	April-June 2019	January-June 2020	January-June 2019	Rolling 4 quarters Jul. '19-Jun. '20	Full year 2019
Operating income						
Net sales	2,414,796	2,599,475	5,107,560	5,101,531	10,046,073	10,040,044
Work performed by the company for its own use and capitalized	4,752	3,908	9,736	6,467	22,115	18,847
Other operating income	10,106	11,709	18,785	20,828	34,669	36,712
Total operating income	2,429,654	2,615,092	5,136,080	5,128,826	10,102,857	10,095,602
Operating costs						
Cost of consultants on assignment	-2,337,709	-2,505,018	-4,939,404	-4,915,492	-9,701,014	-9,677,102
Other external costs	-31,061	-33,356	-71,626	-65,179	-151,872	-145,425
Personnel costs	-43,742	-47,980	-89,354	-94,615	-172,959	-178,220
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets	-1,876	-1,675	-3,597	-3,340	-7,012	-6,755
Total operating costs	-2,414,388	-2,588,029	-5,103,980	-5,078,626	-10,032,856	-10,007,502
Earnings before interest and taxes	15,266	27,063	32,100	50,200	70,000	88,100
Profit/loss from financial items						
Dividends from participations in subsidiaries	-	-	-	-	27,406	27,406
Other interest income and similar items	-826	1,796	1,128	3,051	794	2,717
Interest expense and similar items	-7,505	-2,542	-9,592	-4,274	-13,746	-8,428
Profit after financial items	6,935	26,317	23,636	48,977	84,454	109,795
Tax	-1,504	-5,770	-5,146	-10,737	-12,526	-18,117
Profit for the period *	5,431	20,547	18,490	38,240	71,929	91,678

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

Parent Company Balance Sheet

SEK 000	30 June 2020	30 June 2019	31 December 2019
Assets			
Non-current assets			
Intangible assets	53,184	36,720	46,355
Property, plant and equipment	3,308	3,446	3,998
Financial assets			
Other non-current receivables	633	633	633
Participations in Group companies	34,215	34,215	34,215
Total financial assets	34,848	34,848	34,848
Total non-current assets	91,340	75,014	85,201
Current assets			
Accounts receivable	2,479,965	2,701,285	2,786,334
Receivables from Group companies	161,811	119,485	146,910
Tax receivables	13,971	1,955	4,977
Other receivables	286	58	104
Prepaid expenses and accrued income	86,111	64,117	98,560
Cash and bank balances	33,439	32,544	162,112
Total current assets	2,775,584	2,919,444	3,198,997
Total assets	2,866,924	2,994,458	3,284,198
Equity and liabilities			
Equity			
Restricted equity			
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	52,735	36,023	45,783
Total restricted equity	61,331	44,619	54,380
Non-restricted equity			
Share premium reserve	9,518	9,405	9,518
Retained earnings	71,118	-3,848	-13,609
Profit for the period	18,490	38,241	91,678
Total non-restricted equity	99,126	43,798	87,587
Total equity	160,457	88,417	141,967
Current liabilities			
Liabilities to credit institutions	428,398	470,000	550,000
Accounts payable	2,188,100	2,378,747	2,531,241
Liabilities to Group companies	4,322	5,532	6,519
Other liabilities	32,954	25,205	24,076
Accrued expenses and deferred income	52,694	26,557	30,396
Total current liabilities	2,706,467	2,906,041	3,142,231
Total equity and liabilities	2,866,924	2,994,458	3,284,198

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 applies accounting for government grants in accordance with IAS 20. Reporting of receivables and incomes is done when assessment is made that it is reasonably certain that the conditions will be met and it is reasonably certain that the grants will come to be obtained.

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 2019.

The operations in Poland are reported in the Sweden segment.

Note 1 The Group's operating segments

Second quarter 2020 compared to the second quarter 2019

SEK 000	Sweden Apr-Jun		Finland Apr-Jun		Denmark Apr-Jun		Norway Apr-Jun		Total Apr-Jun	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from clients	2,514,192	2,671,335	107,715	139,532	126,387	107,451	372,621	330,736	3,120,914	3,249,054
Profit per segment	29,538	42,009	3,246	2,164	287	-2,176	11,351	6,650	44,422	48,647
Group-wide expenses	-10,312	-13,877	-650	-979	-632	-1,043	-2,964	-2,035	-14,558	-17,934
EBIT	19,226	28,132	2,595	1,185	-345	-3,219	8,387	4,615	29,864	30,713
Net financial items	-	-	-	-	-	-	-	-	-4,343	-3,261
Profit/loss for the period before tax									25,521	27,452

First half-year 2020 compared to first half-year 2019

SEK 000	Sweden Jan-Jun		Finland Jan-Jun		Denmark Jan-Jun		Norway Jan-Jun		Total Jan-Jun	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from clients	5,312,548	5,237,743	238,525	270,761	246,013	223,547	736,653	644,624	6,533,738	6,376,675
Profit per segment	65,559	81,080	6,771	4,238	656	-2,542	17,618	11,707	90,604	94,483
Group-wide expenses	-25,401	-28,618	-1,456	-2,327	-1,276	-2,219	-4,127	-4,220	-32,260	-37,384
EBIT	40,158	52,462	5,314	1,911	-620	-4,761	13,491	7,487	58,344	57,099
Net financial items	-	-	-	-	-	-	-	-	-5,311	-5,208
Profit/loss for the period before tax									53,033	51,891

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.

Key indicator	Definition and usage
Earnings per share	Profit for the period in relation to the number of outstanding shares before dilution at period-end. Defined in IAS 33.
Equity/assets ratio	Reported equity in relation to reported total assets at period-end. Metric illustrating interest rate sensitivity and financial stability.
Equity per share	Equity in relation to the number of shares outstanding before dilution at the end of the period. Metric illustrating shareholders' proportion of total net assets per share.
Operating margin, EBIT	EBIT in relation to net sales.
Profit margin	Profit after financial items in relation to net sales.
Quick ratio	Current assets in relation to current liabilities.
Return on equity	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.
Sales growth	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 approximately 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)8 506 05500
Corporate ID no. 556587-8708

Forthcoming financial reports

Interim Report July-September 2020

22 October 2020

Contacts for more information

Zoran Covic, CEO
Ola Maalsnes, CFO

+46 (0)8 506 05500
+46 (0)8 506 05500

mobile +46 (0)70 665 6517
mobile +46 (0)73 868 2290

