

# Higher earnings in a challenging quarter

“The fantastic achievements of our colleagues, combined with vigorous and rapidly executed cost reductions, enabled us to fend off a revenue downturn well. We reported EBIT comparable to the previous year and higher profit after financial items. We retain a positive view of our potential to strengthen our market position.”

Zoran Covic, CEO

## Third quarter 2020 compared to 2019

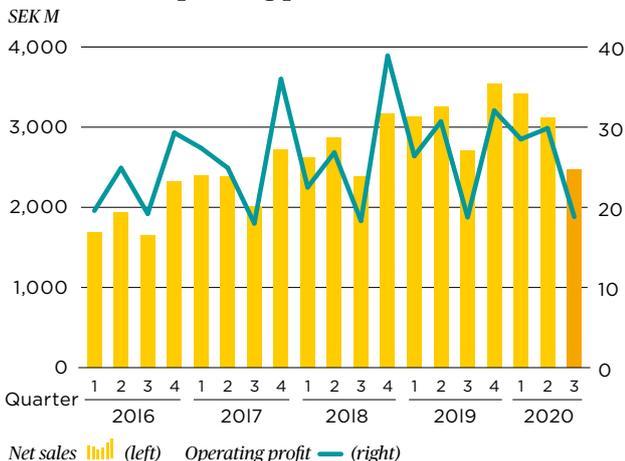
- Net sales decreased to SEK 2,467 M (2,702).
- EBIT was unchanged at SEK 18.8 M (18.8).
- Profit after financial items increased by 8% to SEK 17.7 M (16.4).
- Order intake decreased by 13% to SEK 2,389 M (2,743).
- Earnings per share after tax before and after dilution were SEK 0.87 (0.77), a 13% increase.
- The revenue decrease is mainly due to a covid-related demand downturn. The fact that EBIT was still comparable to the previous year is mainly because Ework executed vigorous and rapid cost reductions.
- Earnings include government covid-19-support of SEK 1.8 M.
- Permanent cost reductions were reported on 21 September 2020 in view of the current mandatory offer. They were stated at approximately SEK 50 M compared to 2019 levels, with expected full effect from 2021 onwards.

- Ework's independent Directors unanimously recommended that the shareholders of Ework Group AB (publ) do not accept the cash mandatory offer from Investment AB Arawak.

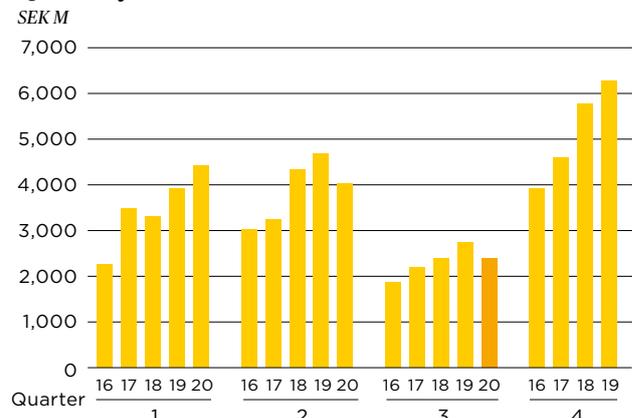
## First nine months of 2020 compared to 2019

- Net sales decreased to SEK 9,000 M (9,078).
- EBIT increased by 2% to SEK 77.2 M (75.9).
- Profit after financial items increased by 4% to SEK 70.7 M (68.3).
- Earnings per share after tax after dilution were SEK 3.36 (3.11), an 8% increase.

### Net sales and operating profit



### Quarterly order intake



## CEO's STATEMENT

# Successful cost reductions generate higher earnings



**The fantastic achievements of our colleagues, combined with vigorous and rapidly executed cost reductions, enabled us to fend off a revenue downturn well. We reported EBIT comparable to the previous year and higher profit after financial items. We retain a positive view of our potential to strengthen our market position.**

Ework's business has proven itself robust and highly resilient in the challenging business climate that arose because of the covid-19 pandemic. It has been challenging to meet the sudden decline in demand, but the market has nevertheless developed stronger than the scenarios we anticipated in the early stages of the crisis.

Our colleagues have performed impressively, and simultaneously, we've rapidly fended off revenue decreases through vigorous cost reductions. We started this work as early as the end of the previous year, prior to covid-19. Initially, our actions were intended to benefit from investments we made in enhanced system support and streamlining our organisation. These measures were accelerated this year in tandem with the substantial uncertainty surrounding business conditions that arose because of the covid-19 pandemic.

In the quarter, we specified the scope of our cost reductions. Their expected extent is some SEK 50 M annualised, compared to the 2019 level. We regard them as permanent, and anticipate them taking full effect from 2021 onwards. We've also made further, more temporary cost reductions, which are visible in the third quarter.

Our consolidating business has performed better than appointing consultants on new assignments. This means an alteration of the sales mix to a higher share of lower-margin revenue, which accurately reflects client sentiment. This uncertainty means fewer projects and assignments get started, while our capability to streamline consultant purchasing is recognised, and in demand by clients.

As previously, the downturn is most apparent in Sweden and Finland, while our continued growth in Denmark, Norway and Poland is positive. Poland is reported under the Sweden segment. EBIT in Norway was high.

We are also pleased by the great interest in our new digital service Verama, launched earlier this year. This is now being implemented on major accounts such as the Swedish Police Authority, Swedavia and others. We're continuing to roll out new functionality for clients and consultants. Over the coming quarter, we'll also launch a new app for consultants, enabling them to view and search assignments on their mobiles.

In tandem with us specifying our cost reductions, we also issued a reminder that Ework's revenue and earnings are negatively impacted by the covid-19 pandemic compared to 2019. We're re-growing, but the revenue base we're working from is lower than last year, with 9,518 consultants (10,528) on assignment at the end of the third quarter. We still take a positive view of our potential to advance our market position, while significant uncertainty regarding business conditions persists.

Zoran Covic, CEO  
Stockholm, Sweden 22 October, 2020

# Still challenging – gradual recovery

## Market

The demand for consultants for new assignments continued to recover in the period, but from a lower level after the major covid-related downturn early in the year. Demand for what we term consolidating business—where Ework takes on an established consultant relationship—was healthy. The number of consultants on assignment increased somewhat in the quarter, peaking at 9,518, but was lower than the corresponding period of the previous year.

Ework's demand indicators suggest a larger base of available consultants than the previous year, and a continued recovery in demand for consulting services, but from a lower level. Ework thinks general economic uncertainty remains significant.

## Business model and revenue streams

In the period, Ework continued the launch of Verama's supplier portal, that part of our new digital platform 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.

Implementation of Verama VMS, that part of our digital platform for clients, continued across a growing client base in the third 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 generates positive cost effects that rapidly create customer benefit, even in cyclical downturns.

The flexibility of Ework's business model is a strength in coping with varying demand, with most of our costs related to subcontract consultants, and thus variable. This limits Ework's risks as demand changes.

## The Group's net sales

The Group's net sales decreased to SEK 2,467 M (2,702) in the third quarter. Net sales for the first nine months decreased to SEK 9,000 M (9,078). Ework received total covid-19 support of SEK 1.8 M in the quarter, including furlough support of SEK 1.7 M applied for, which is reported under other operating income. Total operating income

was SEK 2,468 M (2,702) in the third quarter, and SEK 9,005 M (9,078) for the first nine months of the 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. There was stabilisation in the quarter, and we are witnessing a recovery starting. Our revenue base in the form of consultants on assignment is lower than the corresponding point of the previous year, but there was growth in the quarter. 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 sales.

## The Group's earnings

The Group's EBIT for the third quarter was unchanged at SEK 18.8 M (18.8). EBIT for the first nine months 2020 increased by 2% to SEK 77.2 M (75.9).

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 government covid-19 support of SEK 1.8 M, including furlough support applied for of SEK 1.7 M.

The earnings increase for the nine-months period is due to cost reductions implemented in the year.

Ework's investments in its digital platform, which have been ongoing for several years, continued to reduce as planned, with lower costs as a result. A minority of these costs have been capitalised, implying that quarterly reported expenses reduced by only SEK 1.2 M. Ework expects the cost of these initiatives to keep decreasing and be lower this year than the previous year. Their effect on EBIT is stated in the following table.

Net financial income/expense for the first nine months was SEK -6.4 M (-7.6), of which the interest expense was

SEK M	Jul-Sep 2020	Jul-Sep 2019	Jan-Sep 2020	Jan-Sep 2019	2019
Expenses for digitalisation	-10.5	-15.5	-41.9	-38.8	-56.5
Capitalised expenses for digitalisation	4.0	7.7	13.7	14.2	18.8
<b>Impact on EBIT of expenses for digitalisation</b>	<b>-6.5</b>	<b>-7.8</b>	<b>-28.2</b>	<b>-24.6</b>	<b>-37.7</b>

SEK -5.5 M (-7.6). Net financial income/expense for the quarter was SEK -1.1 M (-2.4), of which the interest expense was SEK -1.1 M (-3.9). The lower net financial income/expense is due to reduced utilisation of credit facilities because of a more restrictive use of the PayExpress faster payment service during the covid-19 pandemic.

Profit after financial items was SEK 17.7 M (16.4). Profit after financial items for the first nine months amounted to SEK 70.7 M (68.3). Profit after tax for the quarter was SEK 15.0 M (13.3). Profit after tax for the first nine months was SEK 57.9 M (53.6).

### **Comments on progress**

The Group's order intake was down by 13% on the third quarter of the previous year at SEK 2,389 M (2,743), and decreased by 4% to SEK 10,841 M (11,327) for the first nine months of 2020. Order intake includes new assignments and extensions. The number of consultants on assignment peaked at 9,518 (10,463).

### **Sweden**

Net sales for the quarter reduced to SEK 1,962 M (2,204), 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 to SEK 11.6 M (17.1).

Net sales for the first nine months decreased to SEK 7,275 M (7,442). EBIT for the first nine months decreased by 26% to SEK 51.7 M (69.6).

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 14% to SEK 312.9 M (275.3). EBIT increased by 471% to SEK 5.4 M (0.9). The sales gains are due to continued strong progress of this 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 nine months rose by 14% SEK to SEK 1,049.6 M (919.9). EBIT for the first nine months increased by 124% to SEK 18.9 M (8.4).

### **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 3% to SEK 106.9 M (104.3). EBIT for the period improved to SEK -0.1 M (-0.3). As in the previous quarter, the Danish operation was impacted marginally by the effects of covid-19 due to its exposure to sectors whose effect in the period was limited.

Net sales for the first nine months increased by 8% to SEK 352.9 M (327.8). EBIT for the first nine months was SEK -0.8 M (-5.1).

### **Finland**

The net sales of the Finnish operation decreased by 28% to SEK 84.5 M (117.7). EBIT increased to SEK 2.0 M (1.0). The revenue decrease is due to reduced client business activity resulting from covid-19.

Net sales for the first nine months decreased by 17%, amounting to SEK 323.0 M (388.4).

EBIT increased by 148% to SEK 7.3 M (3.0). The earnings improvement in the quarter and first nine months 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 6.8% (4.0). 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 third quarter was SEK 179.3 M (22.4). 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 (30). Total unutilised credit facilities at the end of the period were SEK 274.1 M (30).

### **Workforce**

The average number of employees in the third quarter was 281 (304), with the decrease being a result of staff reductions implemented to counter the demand and revenue downturn, and rationalisation programs executed over the longer term. The average number of employees includes 130 people in the Swedish operations who are 20% furloughed. Furloughs ended on 30 September 2020.

### **Parent Company**

The Parent Company's net sales for the third quarter were SEK 1,864 M (2,119). Profit after financial items was SEK 5.4 M (12.0), and profit after tax was SEK 4.2 M (9.4).

The Parent Company's equity was SEK 164.7 M (97.8) at the end of the quarter, and its equity/assets ratio was 6.8% (3.5). 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 nine months amounted to SEK 6,971 M (7,220). EBIT for the first nine months was SEK 38.1 M (63.9).

### 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.

On 24 August 2020, Investment AB Arawak announced a mandatory offer to the shareholders of Ework to acquire all shares at a price of SEK 70.26 per share. The acceptance period is from 24 September 2020 to around 4 November 2020.

Ework's independent Directors unanimously recommended that the shareholders of Ework Group AB (publ) do not accept the cash mandatory offer from Investment AB Arawak.

### Outlook

General economic uncertainty related to the global covid-19 pandemic continued to affect Ework's business in the third quarter, and is expected to continue during the fourth. After severely reduced client business activity at the end of the first quarter, Ework has noted a recovery since the end of 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, Ework is starting from a smaller revenue base than a year previously. Executed and adopted cost reductions are designed to fine-tune operations and adapt costs to this new revenue level. When it specified these revenue reductions in a press release on 21 September, Ework also communicated that its revenue and earnings were being negatively impacted by the covid-19 pandemic. This view is retained.

Zoran Covic, CEO  
Stockholm, Sweden 22 October, 2020

*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 22 October 2020, through the agency of the Chief Executive Officer.*

**KEY PERFORMANCE DATA**

SEK 000	July-September 2020	July-September 2019	January-September 2020	January-September 2019	Rolling 4 quarters Oct.'19– Sep.'20	Full year 2019
Net sales	2,466,620	2,701,606	9,000,358	9,078,281	12,543,382	12,621,305
EBIT	18,815	18,775	77,159	75,874	109,229	107,942
Profit before tax	17,678	16,368	70,711	68,259	99,052	96,599
Profit for the period	15,001	13,339	57,893	53,613	79,571	75,290
Sales growth, %	-8.7	14.0	-0.9	15.4	2.4	14.4
EBIT margin, %	0.8	0.7	0.9	0.8	0.9	0.9
Profit margin, %	0.7	0.6	0.8	0.8	0.8	0.8
Return on equity, %	33.0	36.6	42.5	49.0	46.6	48.0
Total assets	3,009,446	3,382,972	3,009,446	3,382,972	3,009,446	3,854,186
Equity	205,281	135,988	205,281	135,988	205,281	158,107
Equity/assets ratio, %	6.8	4.0	6.8	4.0	6.8	4.1
Acid test ratio, %	104.1	101.9	104.1	101.9	104.1	102.0
Average number of employees	281	304	285	308	290	306
Net sales per employee	8,778	8,875	31,580	29,456	43,253	41,246
<b>KEY RATIOS PER SHARE</b>						
Earnings per share before dilution, SEK	0.87	0.77	3.36	3.11	4.62	4.37
Earnings per share after dilution, SEK	0.87	0.77	3.36	3.11	4.62	4.37
Equity per share before dilution, SEK	11.9	7.9	11.9	7.9	11.9	9.2
Equity per share after dilution, SEK	11.9	7.9	11.9	7.9	11.9	9.2
Cash flow from operating activities per share before dilution, SEK	10.40	1.30	14.81	-2.88	18.96	1.27
Cash flow from operating activities per share after dilution, SEK	10.40	1.30	14.81	-2.88	18.96	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**

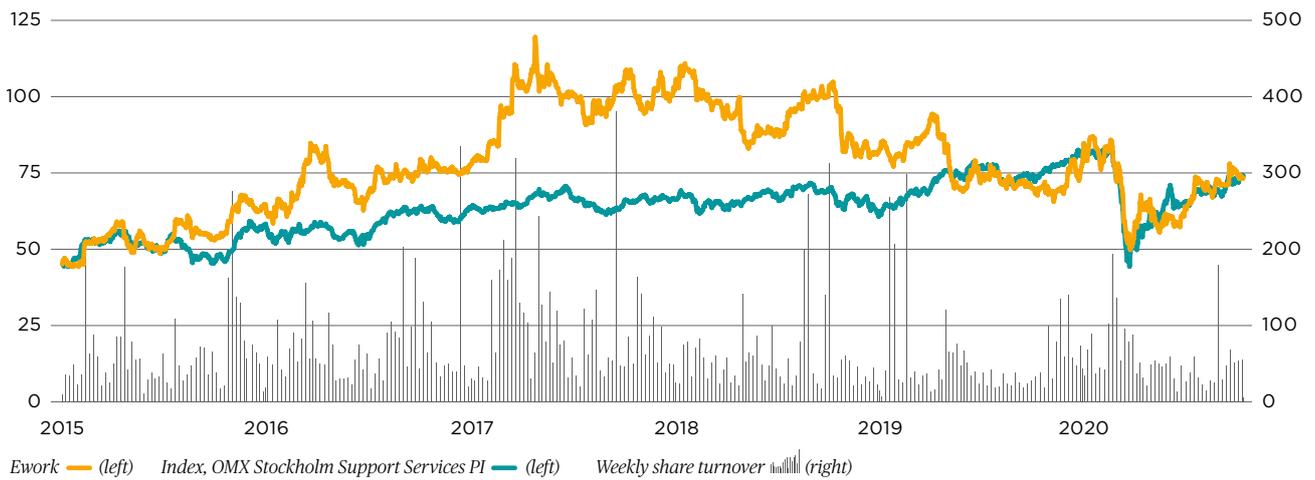
As of 30 September 2020	No. of shares	Votes and equity
Investment AB Arawak <sup>1)</sup>	5,294,266	30.7%
Försäkringsbolaget Avanza Pension	3,219,310	18.7%
Protector Forsikring ASA	1,720,499	10.0%
Investment AB Öresund	1,619,669	9.4%
Katarina Salén, private and through family companies	473,962	2.7%
Patrik Salén and family through companies	406,500	2.4%
Ålandsbanken, on behalf of shareholders	377,730	2.2%
Claes Ruthberg	180,000	1.0%
Handelsbanken Liv Försäkringsaktiebolag	147,049	0.9%
Nordnet Pensionsförsäkring AB	144,441	0.8%
<b>Sub-total</b>	<b>13,583,426</b>	<b>78.8%</b>
Other	3,656,249	21.2%
<b>Total</b>	<b>17,239,675</b>	<b>100.0%</b>

<sup>1)</sup> Staffan Salén and family 92.9%, Erik Åfors 7.1%.

**The Ework share**

SEK

Share turnover, 000



**Consolidated Statement of Income and Other Comprehensive Income**

SEK 000	Note	July-September 2020	July-September 2019	January-September 2020	January-September 2019	Rolling 4 quarters Oct.'19- Sep.'20	Full year 2019
<b>Operating income</b>							
Net sales	1	2,466,620	2,701,606	9,000,358	9,078,281	12,543,382	12,621,305
Other operating income		1,772	-	4,591	-	4,627	36
<b>Total operating income</b>		<b>2,468,392</b>	<b>2,701,606</b>	<b>9,004,949</b>	<b>9,078,281</b>	<b>12,548,009</b>	<b>12,621,341</b>
<b>Operating costs</b>							
Cost of consultants on assignment		-2,377,302	-2,596,267	-8,671,349	-8,722,734	-12,070,626	-12,122,011
Work performed by the company for its own use and capitalized		3,993	7,696	13,728	14,163	18,412	18,847
Other external costs		-22,049	-28,507	-78,303	-80,096	-116,798	-118,591
Personnel costs		-46,514	-58,541	-168,686	-192,152	-238,463	-261,929
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets		-7,704	-7,213	-23,181	-21,589	-31,306	-29,714
<b>Total operating costs</b>		<b>-2,449,577</b>	<b>-2,682,831</b>	<b>-8,927,790</b>	<b>-9,002,407</b>	<b>-12,438,780</b>	<b>-12,513,399</b>
<b>Earnings before interest and taxes</b>		<b>18,815</b>	<b>18,775</b>	<b>77,159</b>	<b>75,874</b>	<b>109,229</b>	<b>107,942</b>
<b>Profit from financial items</b>							
Net financial income/expense		-1,138	-2,407	-6,449	-7,615	-10,178	-11,344
<b>Profit after financial items</b>		<b>17,678</b>	<b>16,368</b>	<b>70,711</b>	<b>68,259</b>	<b>99,052</b>	<b>96,599</b>
Tax		-2,677	-3,029	-12,818	-14,646	-19,481	-21,309
<b>Profit for the period</b>		<b>15,001</b>	<b>13,339</b>	<b>57,893</b>	<b>53,613</b>	<b>79,571</b>	<b>75,290</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		-638	125	-10,719	4,344	-10,390	4,673
<b>Other comprehensive income for the period</b>		<b>-638</b>	<b>125</b>	<b>-10,719</b>	<b>4,344</b>	<b>-10,390</b>	<b>4,673</b>
<b>Comprehensive income for the period</b>		<b>14,363</b>	<b>13,464</b>	<b>47,174</b>	<b>57,957</b>	<b>69,181</b>	<b>79,963</b>
<b>Earnings per share</b>							
before dilution (SEK)		0.87	0.77	3.36	3.11	4.62	4.37
after dilution (SEK)		0.87	0.77	3.36	3.11	4.62	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 September 2020	30 September 2019	31 December 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	55,311	43,043	46,355
Property, plant and equipment	4,258	5,392	5,095
Right-of-use assets	49,228	46,978	53,268
Deferred tax asset	3,469	-	4,974
Non-current receivables	1,454	1,390	1,212
<b>Total non-current assets</b>	<b>113,719</b>	<b>96,803</b>	<b>110,904</b>
<b>Current assets</b>			
Accounts receivable	2,417,474	3,014,718	3,357,687
Tax receivables	12,010	4,310	2,098
Other receivables	16,752	15,724	15,629
Prepaid expenses and accrued income	236,878	156,202	131,281
Cash and cash equivalents	212,612	95,215	236,588
<b>Total current assets</b>	<b>2,895,726</b>	<b>3,286,169</b>	<b>3,743,282</b>
<b>Total assets</b>	<b>3,009,446</b>	<b>3,382,972</b>	<b>3,854,186</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	2,241	2,241	2,241
Other paid-up capital	59,749	59,636	59,749
Translation reserve	-6,500	3,890	4,219
Retained earnings including profit for the period	149,791	70,221	91,898
<b>Total equity</b>	<b>205,281</b>	<b>135,988</b>	<b>158,107</b>
<b>Non-current liabilities</b>			
Lease liabilities	21,842	23,325	27,733
<b>Total non-current liabilities</b>	<b>21,842</b>	<b>23,325</b>	<b>27,733</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	305,881	470,000	550,000
Lease liabilities	22,924	19,424	20,989
Accounts payable	2,368,501	2,685,480	3,019,859
Other liabilities	13,370	12,953	33,138
Accrued expenses and deferred income	71,646	35,801	44,360
<b>Total current liabilities</b>	<b>2,782,323</b>	<b>3,223,658</b>	<b>3,668,346</b>
<b>Total equity and liabilities</b>	<b>3,009,446</b>	<b>3,382,972</b>	<b>3,854,186</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. 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 September 2019</b>	<b>2,241</b>	<b>59,636</b>	<b>3,890</b>	<b>70,221</b>	<b>135,988</b>
<b>Opening equity, 1 October 2019</b>	<b>2,241</b>	<b>59,636</b>	<b>3,890</b>	<b>70,221</b>	<b>135,988</b>
<b>Comprehensive income for the period</b>					
Profit for the period				21,677	21,677
Other comprehensive income for the period			329		329
<b>Comprehensive income for the period</b>			<b>329</b>	<b>21,677</b>	<b>22,006</b>
<b>Transactions with the Group's shareholders</b>					
Premiums deposited on issuance of share warrants		113			113
<b>Closing equity, 31 Dec. 2019</b>	<b>2,241</b>	<b>59,749</b>	<b>4,219</b>	<b>91,898</b>	<b>158,107</b>
<b>Opening equity, 1 Jan. 2020</b>	<b>2,241</b>	<b>59,749</b>	<b>4,219</b>	<b>91,898</b>	<b>158,107</b>
<b>Comprehensive income for the period</b>					
Profit for the period				57,893	57,893
Other comprehensive income for the period			-10,719		-10,719
<b>Comprehensive income for the period</b>			<b>-10,719</b>	<b>57,893</b>	<b>47,174</b>
<b>Closing equity, 30 September 2020</b>	<b>2,241</b>	<b>59,749</b>	<b>-6,500</b>	<b>149,791</b>	<b>205,281</b>

**Consolidated Statement of Cash Flows**

SEK 000	July-September 2020	July-September 2019	January-September 2020	January-September 2019	Rolling 4 quarters Oct.'19- Sep.'20	Full year 2019
<b>Operating activities</b>						
Profit after financial items	17,678	16,368	70,711	68,259	99,051	96,599
Adjustment for non-cash items	7,704	7,213	23,181	21,589	31,306	29,714
Income tax paid	-7,173	-6,412	-25,300	-22,048	-31,912	-28,660
<b>Cash flow from operating activities before changes in working capital</b>	<b>18,209</b>	<b>17,168</b>	<b>68,592</b>	<b>67,799</b>	<b>98,445</b>	<b>97,653</b>
<b>Cash flow from changes in working capital</b>	<b>161,064</b>	<b>5,223</b>	<b>186,681</b>	<b>-117,419</b>	<b>228,353</b>	<b>-75,747</b>
Increase (-)/decrease (+) in operating receivables	534,773	257,220	802,243	-23,868	471,978	-354,133
Increase (+)/decrease (-) in operating liabilities	-373,709	-251,997	-615,562	-93,551	-243,625	278,386
<b>Cash flow from operating activities</b>	<b>179,273</b>	<b>22,391</b>	<b>255,273</b>	<b>-49,620</b>	<b>326,798</b>	<b>21,906</b>
<b>Investing activities</b>						
Acquisition of property, plant & equipment	38	-474	-448	-1,338	-1,197	-2,087
Acquisition of intangible assets	-3,993	-7,695	-13,728	-14,279	-18,412	-18,963
<b>Cash flow from investing activities</b>	<b>-3,954</b>	<b>-8,169</b>	<b>-14,176</b>	<b>-15,617</b>	<b>-19,609</b>	<b>-21,050</b>
<b>Financing activities</b>						
Premiums deposited on issuance of share warrants	-	-	-	-	113	113
Dividend paid to Parent Company shareholders	-	-	-	-77,579	-	-77,579
Amortisation of lease liability and borrowings	-128,154	-5,441	-261,884	-16,422	-268,350	-22,888
Borrowings	-	-	-	120,000	80,000	200,000
<b>Cash flow from financing activities</b>	<b>-128,154</b>	<b>-5,441</b>	<b>-261,884</b>	<b>25,999</b>	<b>-188,237</b>	<b>99,645</b>
<b>Cash flow for the period</b>	<b>47,165</b>	<b>8,780</b>	<b>-20,787</b>	<b>-39,239</b>	<b>118,952</b>	<b>100,501</b>
Cash and cash equivalents at beginning of period	164,939	88,568	236,587	137,945	95,215	137,945
Exchange rate difference	508	-2,133	-3,189	-3,491	-1,555	-1,859
<b>Cash and cash equivalents at end of period</b>	<b>212,612</b>	<b>95,215</b>	<b>212,612</b>	<b>95,215</b>	<b>212,612</b>	<b>236,587</b>

**Parent Company Income Statement**

SEK 000	July- September 2020	July- September 2019	January- September 2020	January- September 2019	Rolling 4 quarters Oct.'19- Sep.'20	Full year 2019
<b>Operating income</b>						
Net sales	1,863,898	2,118,663	6,971,458	7,220,194	9,791,308	10,040,044
Work performed by the company for its own use and capitalized	3,993	7,696	13,728	14,163	18,412	18,847
Other operating income	7,137	7,523	25,922	28,351	34,283	36,712
<b>Total operating income</b>	<b>1,875,028</b>	<b>2,133,882</b>	<b>7,011,108</b>	<b>7,262,708</b>	<b>9,844,002</b>	<b>10,095,602</b>
<b>Operating costs</b>						
Cost of consultants on assignment	-1,806,567	-2,043,551	-6,745,970	-6,959,043	-9,464,029	-9,677,102
Other external costs	-28,513	-35,299	-100,139	-100,478	-145,086	-145,425
Personnel costs	-31,696	-39,610	-121,049	-134,225	-165,044	-178,220
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets	-2,206	-1,679	-5,803	-5,019	-7,539	-6,755
<b>Total operating costs</b>	<b>-1,868,981</b>	<b>-2,120,139</b>	<b>-6,972,961</b>	<b>-7,198,765</b>	<b>-9,781,698</b>	<b>-10,007,502</b>
<b>Earnings before interest and taxes</b>	<b>6,047</b>	<b>13,744</b>	<b>38,147</b>	<b>63,944</b>	<b>62,304</b>	<b>88,100</b>
<b>Profit/loss from financial items</b>						
Dividends from participations in subsidiaries	-	-	-	-	27,406	27,406
Other interest income and similar items	555	234	1,683	3,285	1,115	2,717
Interest expense and similar items	-1,201	-2,003	-10,793	-6,277	-12,944	-8,428
<b>Profit after financial items</b>	<b>5,401</b>	<b>11,975</b>	<b>29,037</b>	<b>60,952</b>	<b>77,881</b>	<b>109,795</b>
Tax	-1,168	-2,623	-6,314	-13,359	-11,072	-18,117
<b>Profit for the period *</b>	<b>4,233</b>	<b>9,352</b>	<b>22,723</b>	<b>47,593</b>	<b>66,809</b>	<b>91,678</b>

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

**Parent Company Balance Sheet**

SEK 000	30 September 2020	30 September 2019	31 December 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	55,311	43,043	46,355
Property, plant and equipment	2,968	3,611	3,998
<b>Financial assets</b>			
Other non-current receivables	633	633	633
Participations in Group companies	34,215	34,215	34,215
<b>Total financial assets</b>	<b>34,848</b>	<b>34,848</b>	<b>34,848</b>
<b>Total non-current assets</b>	<b>93,127</b>	<b>81,502</b>	<b>85,201</b>
<b>Current assets</b>			
Accounts receivable	1,894,945	2,438,497	2,786,334
Receivables from Group companies	160,546	134,532	146,910
Tax receivables	19,731	3,323	4,977
Other receivables	43	2,654	104
Prepaid expenses and accrued income	191,736	87,174	98,560
Cash and bank balances	46,732	27,552	162,112
<b>Total current assets</b>	<b>2,313,732</b>	<b>2,693,732</b>	<b>3,198,997</b>
<b>Total assets</b>	<b>2,406,859</b>	<b>2,775,234</b>	<b>3,284,198</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
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	42,409	45,783
<b>Total restricted equity</b>	<b>61,331</b>	<b>51,005</b>	<b>54,380</b>
<b>Non-restricted equity</b>			
Share premium reserve	9,518	9,405	9,518
Retained earnings	71,118	-10,235	-13,609
Profit for the period	22,723	47,593	91,678
<b>Total non-restricted equity</b>	<b>103,358</b>	<b>46,763</b>	<b>87,587</b>
<b>Total equity</b>	<b>164,689</b>	<b>97,768</b>	<b>141,967</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	305,881	470,000	550,000
Accounts payable	1,863,143	2,164,018	2,531,241
Liabilities to Group companies	4,422	12,688	6,519
Other liabilities	3,883	3,807	24,076
Accrued expenses and deferred income	64,840	26,953	30,396
<b>Total current liabilities</b>	<b>2,242,169</b>	<b>2,677,466</b>	<b>3,142,231</b>
<b>Total equity and liabilities</b>	<b>2,406,859</b>	<b>2,775,234</b>	<b>3,284,198</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 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

### Third quarter 2020 compared to the third quarter 2019

SEK 000	Sweden Jul-Sep		Finland Jul-Sep		Denmark Jul-Sep		Norway Jul-Sep		Total Jul-Sep	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from clients	1,962,237	2,204,412	84,524	117,651	106,932	104,267	312,927	275,276	2,466,620	2,701,606
Profit per segment	20,587	29,849	2,632	1,905	536	553	6,960	2,888	30,715	35,195
Group-wide expenses	-9,029	-12,727	-622	-863	-681	-885	-1,567	-1,942	-11,899	-16,419
<b>EBIT</b>	<b>11,558</b>	<b>17,122</b>	<b>2,010</b>	<b>1,042</b>	<b>-145</b>	<b>-332</b>	<b>5,393</b>	<b>945</b>	<b>18,816</b>	<b>18,775</b>
Net financial items	-	-	-	-	-	-	-	-	-1,138	-2,407
<b>Profit/loss for the period before tax</b>									<b>17,678</b>	<b>16,368</b>

### First nine months 2020 compared to the first nine months 2019

SEK 000	Sweden Jan-Sep		Finland Jan-Sep		Denmark Jan-Sep		Norway Jan-Sep		Total Jan-Sep	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from clients	7,274,785	7,442,155	323,049	388,412	352,945	327,814	1,049,579	919,900	9,000,358	9,078,281
Profit per segment	86,147	110,929	9,402	6,143	1,192	-1,989	24,578	14,595	121,319	129,678
Group-wide expenses	-34,430	-41,345	-2,078	-3,190	-1,957	-3,104	-5,694	-6,162	-44,160	-53,803
<b>EBIT</b>	<b>51,716</b>	<b>69,584</b>	<b>7,324</b>	<b>2,953</b>	<b>-765</b>	<b>-5,093</b>	<b>18,884</b>	<b>8,432</b>	<b>77,159</b>	<b>75,874</b>
Net financial items	-	-	-	-	-	-	-	-	-6,449	-7,615
<b>Profit/loss for the period before tax</b>									<b>70,711</b>	<b>68,259</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 2020 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 per-

sons 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 2020

KPMG AB

Helena Nilsson  
*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.

Key indicator	Definition and usage
<b>Earnings per share</b>	Profit for the period in relation to the number of outstanding shares before dilution at period-end. Defined in IAS 33.
<b>Equity/assets ratio</b>	Reported equity in relation to reported total assets at period-end. Metric illustrating interest rate sensitivity and financial stability.
<b>Equity per share</b>	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.
<b>Operating margin, EBIT</b>	EBIT in relation to net sales.
<b>Profit margin</b>	Profit after financial items in relation to net sales.
<b>Acid test ratio</b>	Current assets in relation to current liabilities.
<b>Return on equity</b>	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.
<b>Sales growth</b>	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**

Year-end Report 2020	10 February 2021
Annual Report 2020	Early-April 2021
Interim Report, January-March 2021	28 April 2021
Annual General Meeting	28 April 2021

**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

