

ework Report 2016

YEAR-END REPORT JANUARY-DECEMBER 2016

Strong finish to a new record year

Fourth quarter 2016 compared to the corresponding period 2015

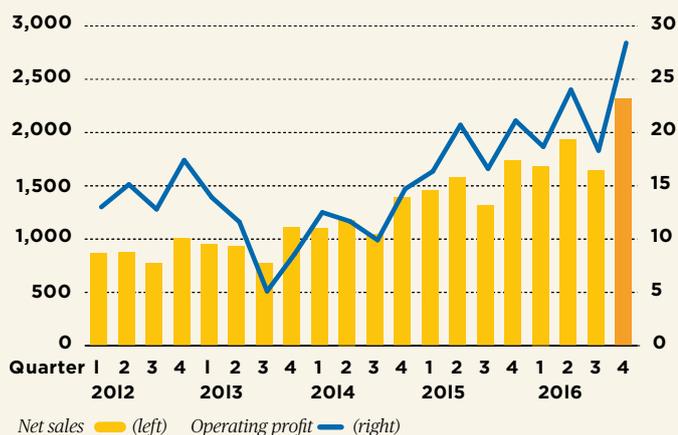
- Net sales increased by 33% to SEK 2,320 M (1,741).
- Operating profit up by 33% to SEK 29.3 M (22.0).
- Order intake amounted to SEK 3,917 M (2,949) in the fourth quarter, a 33% increase.
- Earnings per share after dilution rose to SEK 1.34 (0.88).
- The number of consultants on assignment passed 7,000, peaking at 7,240.

Full year 2016 compared to full year 2015

- Net sales increased by 25% to SEK 7,585 M (6,089).
- Operating profit up by 19% to SEK 92.9 M (78.4).
- Earnings per share after dilution increased by 21% to SEK 4.21 (3.48).
- Demand was strong right through the period, with Ework estimating that it won market shares on a growing market.
- Order intake for the full year was SEK 11,063 M (8,271), up by 34%.
- The Board of Directors has decided to propose a dividend of SEK 4.00 (3.25) per share to the AGM.

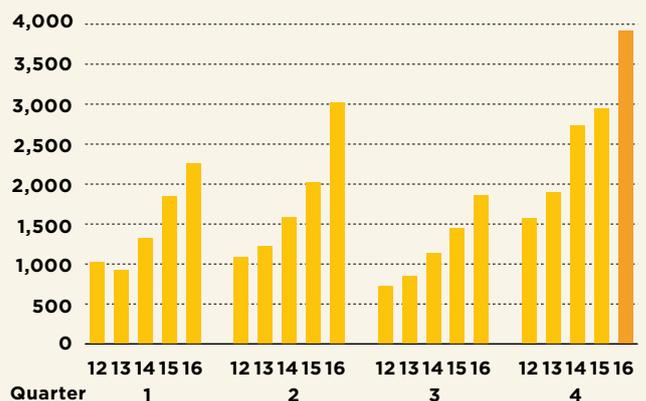
Net sales and operating profit

SEK M



Quarterly order intake

SEK M





CEO ZORAN COVIC

Strong finish to a new record year

When we set new targets for Ework's onward growth journey at the beginning of last year, we aimed high. We can now look back on a 2016 when we beat our targets, with continued high sales growth and increasing earnings per share. We also continued to invest in our future.

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e've made good progress on our way to building the new Ework, which will be Europe's biggest consultant provider by 2020. In the year, we took major actions in a number of business-critical segments.

We advanced our market positioning and won market shares on all our markets. Our operations in Denmark and Norway clearly attained a new level, with yearly sales exceeding half a billion kronor in both markets, with good profitability. Our Polish start-up has been really successful, with the number of consultants on assignment in high growth.

Our ability to match consultants to assignments is one of our prime competitive edges, and the foundation of our growth. In the year, we invested in digitalising our matching process to streamline and enhance its quality. We also reinforced our organisation, making key appointments in marketing, sales and delivery. Our business development work has been intensive, and will continue in 2017.

We've achieved all this while growing net sales by 25%, and earnings per share by 21%. The fourth quarter concluded the year even more strongly, with sales and operating profit increasing by over 30%. Our order intake passed the SEK 10 and 11 billion milestones on an annualized basis for the first time.

The targets we're working towards are an average 20% yearly sales growth and an average 20% EPS growth in 2016-2020, and this year, we beat those targets.

The outlook for Ework is good for the current year and longer term. The market is really strong, and we think it will remain so through the year. ■



Zoran Covic, CEO
Stockholm, Sweden, 17 February 2017.

A strong consulting market

Market

The Nordic consulting market remained very strong in the fourth quarter of the year. Demand was high, or very high, in the skills segments where Ework operates. Demand increased for Ework's consolidated role, and remained high for consultants for new assignments. Ework judges that it outgrew the consulting market, and thus continued to win market shares. Ework's demand indicators such as assignment enquiries and the orientation of indicated skill segments continued to increase year on year.

All Ework's geographical markets were strong, although this was less pronounced in Finland and the Norwegian private sector.

The Group's net sales

The Group's net sales for the fourth quarter 2016 were up by 33% to SEK 2,320 M (1,741). Net sales for the full year 2016 were SEK 7,585 M (6,089), a 25% increase. All operating segments contributed to the growth in the fourth quarter and year. The Denmark, Norway and Finland operating segments increased their share of yearly sales to 18.6% (17.2).

The Group's profit

The Group's operating profit was SEK 29.3 M (22.0) for the fourth quarter 2016,

a 33% increase on the corresponding quarter of the previous year. For the full year 2016, operating profit was SEK 92.9 M (78.4), up by 19%. The improvement in operating profit is due to sales growth, mainly by an increased number of new consultant appointments.

Operating profit increased in all segments, with the Norwegian operation contributing the highest profit growth in the quarter and full year. The profit performance of the Swedish operation was below the group average in percentage terms, mainly due to this business being more heavily charged by expenses for new appointments to ensure the group's continued growth.

The above comments apply to the quarter and full year.

Profit after financial items amounted to SEK 29.4 M (21.5) for the fourth quarter 2016, and SEK 94.2 M (77.9) for the 12 months of the year. Profit after tax was SEK 24.4 M (15.1) for the fourth quarter 2016, and SEK 73.9 M (59.7) for the full year 2016.

Comments on progress

The Group's order intake in the fourth quarter was SEK 3,917 M (2,949), the highest number ever.

For the full year, order intake was up by 34% to SEK 11,063 M (8,271). The number of consultants on assignment

continued to grow, peaking in the quarter at 7,240 (5,490).

Sweden

The net sales of the Swedish operation increase by 28% in the fourth quarter to SEK 1,862 M (1,454). Operating profit rose by 10% to SEK 20.6 M (18.6). In full-year terms, sales were up by 22% to SEK 6,177 M (5,042). Operating profit increased to SEK 75.5 M (71.7), with the primary explanation for the sales increase being positive demand and Ework's strong market position. The technology consultants skills segment grew, representing a rising sales share.

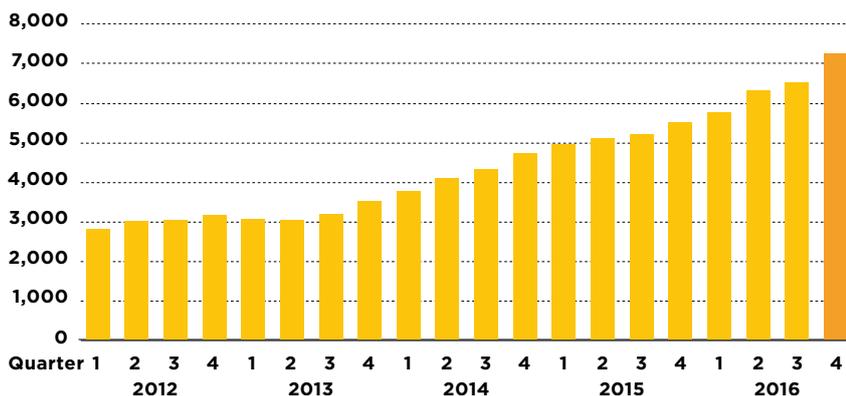
The operations in Poland are currently reported in the Sweden segment. Ework is experiencing high client demand and delivered consultants for new assignments on several new accounts in the quarter.

Denmark

The progress of the Danish operation was positive right through the year, and concluded with especially robust sales gains in the fourth quarter. Net sales were up by 70% to SEK 165.2 M (97.3). Operating profit for the quarter increased to SEK 3.5 M (2.4). For the full year, sales were SEK 504 M (354), a 42% increase. Operating profit was SEK 8.8 M (7.4).

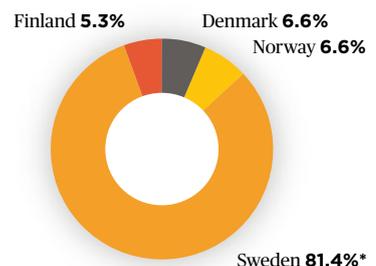
Consultants on assignment

Max. no.



Sales by region

Full year as a percentage of net sales



* Poland is reported under Sweden.

Norway

The net sales of the Norwegian operation rose by 68% in the fourth quarter to SEK 166.8 M (99.5). Operating profit for the period rose to SEK 3.7 M (1.2). Full-year net sales were up by 40% to SEK 502.2 M (357.6). Operating profit was SEK 8.7 M (1.3). The positive progress of the Norwegian operation is due to healthy demand, mainly on existing client accounts, primarily in the public sector.

Finland

The Finnish operation achieved an improvement in the fourth quarter. Net sales rose by 39% to SEK 125.7 M (90.3). Operating profit/loss was SEK 1.4 M (-0.3). Rising net sales are mainly due to high demand on existing client accounts; the Finnish operation went from loss to profit. For the full year, net sales increased by 20% to SEK 402.1 M (335.6). Operating profit/loss was SEK 0.04 M (-2.0).

Financial position

The equity/assets ratio was 5.9% (6.2) as of 31 December 2016. The lower equity/assets ratio is due to higher working capital, resulting from higher sales compared to the previous year. Cash flow from operating activities in the fourth quarter was SEK 39.5 M (-7.6). For the full year, cash flow from operating activities was SEK 96.9 M (-88.5). Changes in working capital at different reporting dates are mainly due to all payments from clients and consultants being made at month-ends. Accordingly, a modest shift in payments made or received can have a significant effect on cash flow at a specific time. The Group's net interest-bearing assets were SEK 62.2 M (27.0) at the reporting date.

The company has a non-terminable revolving funding facility of SEK 70 M. Accounts receivable have been pledged as collateral for the facility.

Workforce

The average number of permanent employees of the Group in the fourth quarter was 219 (187) excluding consultants employed on a project basis. The average number of permanent employees for the full year was 213 (176) excluding consultants employed on a project basis. The growth of personnel remains lower than sales growth, due to the scalability of Ework's business and continuous work on streamlining operations. Consultants employed on a project basis on client assignments are included in the "cost of consultants on assignment" item under operating costs.

Parent Company

The Parent Company's net sales for the fourth quarter were SEK 1,846 M (1,449). Profit before financial items was SEK 78.2 M (20.2) and profit after tax was SEK 16.8 M (14.9).

Key performance data

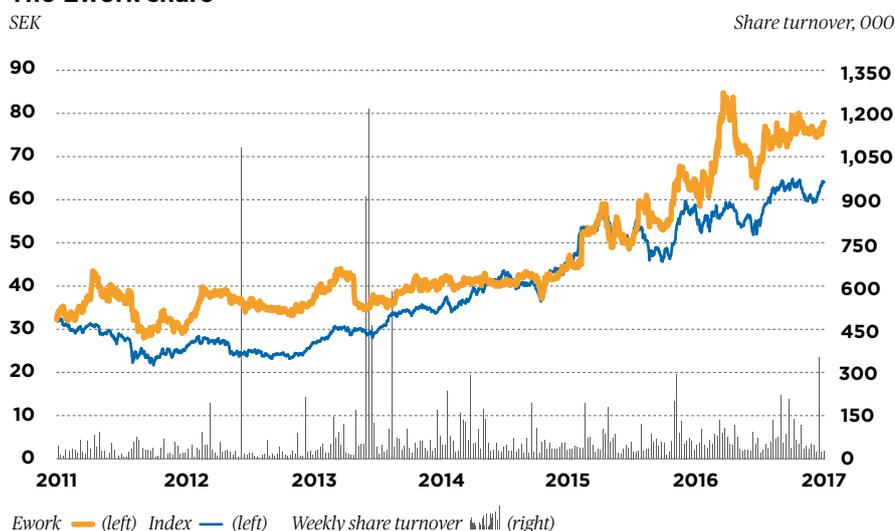
| SEK 000 | October-December 2016 | October-December 2015 | Full year 2016 | Full year 2015 |
|---|-----------------------|-----------------------|----------------|----------------|
| Net sales | 2,320,130 | 1,740,739 | 7,585,442 | 6,089,079 |
| Operating profit, EBIT | 29,301 | 21,979 | 92,947 | 78,405 |
| Profit before tax | 29,360 | 21,457 | 94,154 | 77,858 |
| Profit for the period | 22,998 | 15,053 | 72,514 | 59,667 |
| Sales growth, % | 33.3 | 25.3 | 24.6 | 29.2 |
| Operating margin, EBIT, % | 1.3 | 1.3 | 1.2 | 1.3 |
| Profit margin, % | 1.3 | 1.3 | 1.2 | 1.3 |
| Return on equity, % | 73.8 | 57.2 | 58.4 | 50.0 |
| Total assets | 2,328,965 | 1,797,943 | 2,328,965 | 1,797,943 |
| Equity | 137,345 | 112,212 | 137,345 | 112,212 |
| Equity/assets ratio, % | 5.8 | 6.2 | 5.8 | 6.2 |
| Acid test ratio, % | 107.8 | 111.0 | 107.8 | 111.0 |
| Average number of employees | 219 | 187 | 213 | 176 |
| Net sales per employee | 10,594 | 9,309 | 35,612 | 34,597 |
| Key performance data per share | | | | |
| Earnings per share before dilution, SEK | 1.34 | 0.88 | 4.22 | 3.49 |
| Earnings per share after dilution, SEK | 1.34 | 0.88 | 4.21 | 3.48 |
| Equity per share before dilution, SEK | 7.9 | 6.6 | 7.9 | 6.6 |
| Equity per share after dilution, SEK | 7.9 | 6.6 | 7.9 | 6.6 |
| Cash flow from operating activities per share before dilution, SEK | 2.30 | -0.44 | 5.64 | -5.18 |
| Cash flow from operating activities per share after dilution, SEK | 2.29 | -0.44 | 5.63 | -5.16 |
| Number of shares outstanding at end of period before dilution (000) | 17,188 | 17,085 | 17,188 | 17,085 |
| Number of shares outstanding at end of period after dilution (000) | 17,206 | 17,130 | 17,206 | 17,130 |
| Average number of shares outstanding before dilution (000) | 17,188 | 17,085 | 17,119 | 17,018 |
| Average number of shares outstanding after dilution (000) | 17,205 | 17,125 | 17,135 | 17,044 |

Shareholders

| As of 31 December 2016 | No. of shares | Votes and equity |
|---|-------------------|------------------|
| Staffan Salén and family through company ¹ | 4,689,945 | 27.3% |
| Försäkringsaktiebolaget Avanza Pension | 3,167,655 | 18.4% |
| Investment AB Öresund | 2,022,759 | 11.8% |
| Veralda Investment Ltd | 1,032,705 | 6.0% |
| Katarina Salén, private and through family company ² | 463,962 | 2.7% |
| PSG Micro Cap | 410,261 | 2.4% |
| Patrik Salén and family through company ³ | 397,000 | 2.3% |
| Jan Pettersson | 349,000 | 2.0% |
| Claes Ruthberg | 290,000 | 1.7% |
| Danica Pension | 282,517 | 1.6% |
| Sub-total | 13,105,804 | 76.3% |
| Other | 4,081,771 | 23.7% |
| Total | 17,187,575 | 100% |

1 Salénia AB 2 Polhavet AB 3 Jippa Investment AB

The Ework share



The Parent Company's net sales for the full year were SEK 6,136 M (5,037). Profit before financial items was SEK 21.9 M (20.2) and profit after tax was SEK 16.8 M (14.9). The Parent Company's equity at the end of the period was SEK 122 M (111) and the equity/assets ratio was 6.3% (7.0). Otherwise, the above comments regarding the Group's financial position also apply to the Parent Company where appropriate.

Material 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. The Company is not aware of any new material business risks in the forthcoming six months. For a more detailed review of material risks and uncertainty factors, please refer to Ework's Annual Report.

Subsequent events

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

Outlook

Ework is retaining the financial targets set at the beginning of 2016 for the period 2016-2020: to achieve average annual sales growth of 20% and increase average earnings per share by 20% per year.

Ework thinks that a growing share of the workforce will operate as consultants on the labour market of the future. The market's long-term consolidation trend is expected to continue, which is expected to create good business opportunities for Ework. Ework enjoys a strong market position and competitive offering. Accordingly, Ework expects to keep outgrowing the underlying consultant market in its current geographical markets and skills segments. In addition, it anticipates business opportunities opening up in new geographical markets.

Ework expects demand on the Nordic consulting market to remain strong in 2017 and the consulting market as a whole to grow. In addition, new outsourcing deals may be possible.

Overall, Ework judges that it has good potential for the full year 2017 to continue to progress in line with its long-term targets.

Dividend

Based on its confidence in the company's future progress and the company's strong Balance Sheet, the Board of Directors is proposing a dividend of SEK 4.00 (3.25) to the AGM, totalling SEK 68.8 M (51.3), corresponding to 95% of profit after tax.

Annual General Meeting

The AGM will be held at 2 p.m. on Monday 24 April 2017 at Ework's premises at Mäster Samuelsgatan 60, 7th floor, Stockholm, Sweden. Notification of the meeting will be published in a press release and announcement in the Swedish Official Gazette, Swedish daily newspaper Svenska Dagbladet, as well as being published on Ework's website.

Nomination Committee

The Nomination Committee for the AGM 2017 has the following members: Chairman of the Board Staffan Salén, Magnus Berglind and Øystein Engebretsen. Magnus Berglind is Chairman of the Nomination Committee. Shareholders desiring to contact the Nomination Committee can do so by email at: valberedningen@ework.se

Zoran Covic, CEO

Stockholm, Sweden, 17 February 2017

The information disclosed in this Year-end Report is mandatory for Ework Group AB (publ) to publish pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act. This information will be submitted for publication at 8:00 a.m. (CET) on 17 February 2017 through the agency of the CEO. This Year-end Report has not been reviewed by the company's auditor.



A SOPHISTICATED TOOL

One of Ework's main strengths is its ability to match the right competence with the right assignment. Ework is now developing a digital process with the potential to make this even more accurate. It also minimises the risk of discrimination by eliminating emotional criteria like sex, ethnicity, age and appearance.

A smart and sustainable way to match competence and assignments

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ood for the client. Good for the consultant. And good for society. Ework's new matching process is a win-win. The aim is an even

more accurate, fast and efficient way to match the right consultant with the right assignment.

"In the future, we expect companies to need even better access to the right competence at the right time to evolve at the speed necessary to stay competitive," explains Tim Kolga, a psychologist and the creator of Ework's new matching process.

Against a background of the need for more consultants in the Fourth Industrial Revolution—the technological revolution we are now on the verge of, which will fundamentally transform the way we live, interact and work—Ework has taken this revolutionary grasp of the search and

selection process. The aim is to produce an accurate methodology which dispenses with everything that is irrelevant or based on prejudice.

"We want to be the sector leader in producing smart methods for making better recruitment decisions, and that fits a new, intelligent way to work. Apart from us wanting to eliminate everything that could be discriminatory, we also wanted to provide our clients with superior delivery, and our consultants with more job satisfaction, by mapping soft values. Accordingly, we look at the critical feature of each assignment. Is it social skills? Working quickly under pressure? Or having highly developed strategic capacity?"

"Our aim is for the client to have fewer, but better candidates to choose from," explains Tim.

If you're looking for a Java consultant, for example, you could find either

someone who delivers best alone, or someone who performs best in a group. Being an extrovert, which is often associated with being successful, a good salesperson and energetic, is a quality that many people appreciate and most employees rate highly, but it might not be at all relevant for the assignment, and the client may erroneously deselect the more competent, introverted individual.

The test is based on mathematical algorithms and is divided into two parts, one part focuses on the logical problem solving and the other part focuses on personality.

"We have a dedicated team continuously refining and developing our matching process in the light of the feedback we get. We want to lead the trend when it comes to fast, accurate and non-discriminatory matching of each assignment with the right skills" adds Tim.

Consolidated Statement of Comprehensive Income

| SEK 000 | Note | October-December 2016 | October-December 2015 | Full year 2016 | Full year 2015 |
|--|------|-----------------------|-----------------------|-------------------|-------------------|
| Operating income | | | | | |
| Net sales | 1 | 2,320,130 | 1,740,739 | 7,585,442 | 6,089,079 |
| Work performed by the company for its own use and capitalized | | 3,106 | 0 | 9,554 | 0 |
| Other operating income | | 0 | 19 | 30 | 21 |
| Total operating income | | 2,323,236 | 1,740,758 | 7,595,026 | 6,089,100 |
| Operating costs | | | | | |
| Cost of consultants on assignment | | -2,217,914 | -1,658,710 | -7,241,348 | -5,799,219 |
| Other external costs | | -22,677 | -17,263 | -76,110 | -57,992 |
| Personnel costs | | -53,045 | -42,596 | -183,681 | -152,683 |
| Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets | | -299 | -210 | -940 | -801 |
| Total operating costs | | -2,293,935 | -1,718,779 | -7,502,079 | -6,010,695 |
| Operating profit | | 29,301 | 21,979 | 92,947 | 78,405 |
| Profit/loss from financial items | | | | | |
| Net financial income/expense | | 59 | -522 | 1,207 | -547 |
| Profit after financial items | | 29,360 | 21,457 | 94,154 | 77,858 |
| Tax | | -6,362 | -6,404 | -21,640 | -18,191 |
| Profit for the period | | 22,998 | 15,053 | 72,514 | 59,667 |
| Other comprehensive income/costs | | | | | |
| <i>Items that have been reclassified, or are reclassifiable, to profit or loss</i> | | | | | |
| Translation differences on translation of foreign operations for the period | | -343 | -1,205 | 2,289 | -1,709 |
| Other comprehensive income/costs for the period | | -343 | -1,205 | 2,289 | -1,709 |
| Comprehensive income for the period | | 22,655 | 13,848 | 74,803 | 57,958 |
| Earnings per share | | | | | |
| before dilution (SEK) | | 1.34 | 0.88 | 4.22 | 3.49 |
| after dilution (SEK) | | 1.34 | 0.88 | 4.21 | 3.48 |
| <i>Number of shares outstanding at end of the reporting period:</i> | | | | | |
| before dilution (000) | | 17,188 | 17,085 | 17,188 | 17,085 |
| after dilution (000) | | 17,206 | 17,130 | 17,206 | 17,130 |
| <i>Average number of outstanding shares:</i> | | | | | |
| before dilution (000) | | 17,188 | 17,085 | 17,119 | 17,018 |
| after dilution (000) | | 17,205 | 17,125 | 17,135 | 17,044 |

Consolidated Statement of Financial Position

| SEK 000 | 31 December 2016 | 31 December 2015 |
|---|------------------|------------------|
| Assets | | |
| Non-current assets | | |
| Intangible non-current assets | 9,911 | 313 |
| Property, plant and equipment | 3,584 | 1,419 |
| Non-current receivables | 4,290 | 486 |
| Deferred tax asset | 0 | 1,358 |
| Total non-current assets | 17,785 | 3,576 |
| Current assets | | |
| Accounts receivable—trade | 2,128,139 | 1,667,576 |
| Prepaid expenses and accrued income | 45,950 | 12,479 |
| Other receivables | 24,889 | 18,734 |
| Cash and cash equivalents | 112,202 | 95,578 |
| Total current assets | 2,311,180 | 1,794,367 |
| Total assets | 2,328,965 | 1,797,943 |
| Equity and liabilities | | |
| Equity | | |
| Share capital | 2,234 | 2,221 |
| Other paid-up capital | 41,967 | 51,494 |
| Reserves | -3,740 | -6,029 |
| Retained earnings including profit for the period | 95,456 | 64,526 |
| Total equity | 135,917 | 112,212 |
| Non-current liabilities | | |
| Non-current interest-bearing liabilities | 50,008 | 68,590 |
| Total non-current liabilities | 50,008 | 68,590 |
| Current liabilities | | |
| Accounts payable—trade | 2,081,920 | 1,567,447 |
| Tax liabilities | 3,434 | 484 |
| Other liabilities | 28,821 | 24,301 |
| Accrued expenses and deferred income | 28,865 | 24,909 |
| Total current liabilities | 2,143,040 | 1,617,141 |
| Total equity and liabilities | 2,328,965 | 1,797,943 |

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. 2015 | 2,207 | 62,526 | -4,320 | 65,999 | 126,412 |
| Comprehensive income for the period | | | | | |
| Profit for the period | | | | 59,667 | 59,667 |
| Other comprehensive income/costs for the period | | | -1,709 | | -1,709 |
| Comprehensive income for the period | | | -1,709 | 59,667 | 57,958 |
| Transactions with the Group's shareholders | | | | | |
| Dividends | | -15,288 | | -61,140 | -76,428 |
| Warrants exercised by staff | 14 | 4,256 | | | 4,270 |
| Closing equity, 31 Dec. 2015 | 2,221 | 51,494 | -6,029 | 64,526 | 112,212 |
| Opening equity, 1 Jan. 2016 | 2,221 | 51,494 | -6,029 | 64,526 | 112,212 |
| Comprehensive income for the period | | | | | |
| Profit for the period | | | | 72,514 | 72,514 |
| Other comprehensive income/costs for the period | | | 2,289 | | 2,289 |
| Comprehensive income for the period | | | 2,289 | 72,514 | 74,803 |
| Transactions with the Group's shareholders | | | | | |
| Dividends | | -13,942 | | -41,584 | -55,526 |
| Warrants exercised by staff | 13 | 4,415 | | | 4,428 |
| Closing equity, 31 Dec. 2016 | 2,234 | 41,967 | -3,740 | 95,456 | 135,917 |

Consolidated Statement of Cash Flows

| SEK 000 | October-December 2016 | October-December 2015 | Full year 2016 | Full year 2015 |
|--|-----------------------|-----------------------|----------------|----------------|
| Operating activities | | | | |
| Profit after financial items | 29,360 | 21,456 | 94,154 | 77,858 |
| Adjustment for items not included in cash flow | 299 | 210 | 940 | 801 |
| Income tax paid | -4,440 | 1,737 | -17,363 | -11,052 |
| Cash flow from operating activities before changes in working capital | 25,219 | 23,403 | 77,731 | 67,607 |
| Cash flow from changes in working capital | 14,259 | -30,997 | 19,172 | -156,064 |
| Increase (-)/Decrease (+) in operating receivables | -399,965 | -208,565 | -485,546 | -458,184 |
| Increase (+)/Decrease (-) in operating liabilities | 414,224 | 177,568 | 504,718 | 302,120 |
| Cash flow from operating activities | 39,478 | -7,594 | 96,903 | -88,457 |
| Investing activities | | | | |
| Acquisition of property, plant & equipment | -2,007 | 0 | -2,873 | -993 |
| Acquisition of intangible assets | -3,190 | 0 | -9,788 | -24 |
| Disposal of tangible assets | 0 | 16 | 0 | 0 |
| Cash flow from investing activities | -5,197 | 16 | -12,661 | -1,017 |
| Financing activities | | | | |
| Warrants exercised | 0 | 0 | 4,428 | 4,270 |
| Dividend paid to Parent Company shareholders | 0 | 0 | -55,526 | -76,428 |
| Borrowings | 0 | 41,387 | 0 | 68,590 |
| Repayment of loans | -20,012 | 0 | -18,582 | 0 |
| Cash flow from financing activities | -20,012 | 41,387 | -69,680 | -3,568 |
| Cash flow for the period | 14,269 | 33,809 | 14,562 | -93,042 |
| Cash and cash equivalents at beginning of period | 97,155 | 63,021 | 95,578 | 190,506 |
| Exchange rate difference | 778 | -1,252 | 2,062 | -1,886 |
| Cash and cash equivalents at end of period | 112,202 | 95,578 | 112,202 | 95,578 |

Parent Company Income Statement

| SEK 000 | October-December 2016 | October-December 2015 | Full year 2016 | Full year 2015 |
|--|-----------------------|-----------------------|-------------------|-------------------|
| Operating income | | | | |
| Net sales | 1,846,043 | 1,448,635 | 6,135,584 | 5,036,537 |
| Work performed by the company for its own use and capitalized | 3,106 | 0 | 9,554 | 0 |
| Other operating income | 3,267 | 2,339 | 13,709 | 11,576 |
| Total operating income | 1,852,416 | 1,450,974 | 6,158,847 | 5,048,113 |
| Operating costs | | | | |
| Cost of consultants on assignment | -1,770,079 | -1,383,792 | -5,876,251 | -4,808,636 |
| Other external costs | -20,680 | -14,710 | -65,633 | -48,796 |
| Personnel costs | -39,587 | -32,137 | -138,107 | -115,554 |
| Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets | -206 | -161 | -687 | -628 |
| Total operating costs | -1,830,552 | -1,430,800 | -6,080,678 | -4,973,614 |
| Operating profit | 21,864 | 20,174 | 78,169 | 74,499 |
| Profit/loss from financial items | | | | |
| Other interest income and similar items | 0 | 181 | 2,304 | 206 |
| Interest expense and similar items | -243 | -1,125 | -490 | -1,434 |
| Profit after financial items | 21,621 | 19,230 | 79,983 | 73,271 |
| Tax | -4,834 | -4,345 | -17,869 | -16,426 |
| Profit for the period * | 16,787 | 14,885 | 62,114 | 56,845 |

* Profit for the period corresponds to comprehensive income for the period.

Parent Company Balance Sheet

| SEK 000 | 31 December 2016 | 31 December 2015 |
|--|------------------|------------------|
| Assets | | |
| Non-current assets | | |
| Intangible non-current assets | 9,911 | 313 |
| Property, plant and equipment | 2,840 | 832 |
| Financial non-current assets | | |
| Other non-current receivables | 3,795 | 45 |
| Participations in Group companies | 22,084 | 22,072 |
| Total financial non-current assets | 25,879 | 22,117 |
| Total non-current assets | 38,630 | 23,262 |
| Current assets | | |
| Accounts receivable—trade | 1,785,431 | 1,466,885 |
| Receivables from Group companies | 36,280 | 22,390 |
| Tax receivables | 0 | 0 |
| Other receivables | 412 | 5,952 |
| Prepaid expenses and accrued income | 19,562 | 6,922 |
| Cash and bank balances | 61,104 | 64,555 |
| Total current assets | 1,902,789 | 1,566,704 |
| Total assets | 1,941,419 | 1,589,966 |
| Equity and liabilities | | |
| Equity | | |
| Restricted equity | | |
| Share capital (17,085,075 shares with par value of SEK 0.13) | 2,234 | 2,221 |
| Statutory reserve | 6,355 | 6,355 |
| Development fund | 9,554 | 0 |
| Total restricted equity | 18,143 | 8,576 |
| Non-restricted equity | | |
| Share premium reserve | 49,950 | 45,535 |
| Retained earnings | -8,235 | 0 |
| Profit for the period | 62,114 | 56,845 |
| Total non-restricted equity | 103,829 | 102,380 |
| Total equity | 121,972 | 110,956 |
| Non-current liabilities | | |
| Liabilities to credit institutions | 50,008 | 68,590 |
| Total non-current liabilities | 50,008 | 68,590 |
| Current liabilities | | |
| Accounts payable—trade | 1,721,795 | 1,375,339 |
| Tax liabilities | 1,647 | 794 |
| Other liabilities | 24,805 | 20,098 |
| Accrued expenses and deferred income | 21,192 | 14,189 |
| Total current liabilities | 1,769,439 | 1,410,420 |
| Total equity and liabilities | 1,941,419 | 1,589,966 |

Accounting principles

The Year-end Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and the appropriate provisions of the Swedish

Annual Accounts Act. The Interim Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. The same accounting principles and basis of

calculation have been applied as in the Annual Report for 2015. The operations in Poland are reported in the Sweden segment for the present.

Note 1 on the financial statements

The Group's operating segments

January-December 2016 compared to the corresponding period 2015

| SEK 000 | Sweden Jan-Dec | | Finland Jan-Dec | | Denmark Jan-Dec | | Norway Jan-Dec | | Total Jan-Dec | |
|--|----------------|---------------|-----------------|---------------|-----------------|--------------|----------------|--------------|---------------|---------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Income from clients | 6,177,410 | 5,042,009 | 402,076 | 335,599 | 503,709 | 353,910 | 502,247 | 357,561 | 7,585,442 | 6,089,079 |
| Profit per segment | 142,153 | 133,412 | 5,043 | 2,158 | 12,985 | 10,658 | 12,629 | 4,725 | 172,810 | 150,953 |
| Group-wide expenses | -66,678 | -61,710 | -5,008 | -4,109 | -4,222 | -3,258 | -3,955 | -3,471 | -79,863 | -72,548 |
| Operating profit/loss | 75,475 | 71,702 | 35 | -1,951 | 8,763 | 7,400 | 8,674 | 1,254 | 92,947 | 78,405 |
| Net financial items | - | - | - | - | - | - | - | - | 1,207 | -547 |
| Profit/loss for the period before tax | | | | | | | | | 94,154 | 77,858 |

Fourth quarter 2016 compared to the corresponding period 2015

| SEK 000 | Sweden Oct-Dec | | Finland Oct-Dec | | Denmark Oct-Dec | | Norway Oct-Dec | | Total Oct-Dec | |
|--|----------------|---------------|-----------------|-------------|-----------------|--------------|----------------|--------------|---------------|---------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Income from clients | 1,862,494 | 1,453,557 | 125,650 | 90,324 | 165,152 | 97,326 | 166,834 | 99,532 | 2,320,130 | 1,740,739 |
| Profit per segment | 47,641 | 45,633 | 3,107 | 426 | 4,030 | 3,092 | 4,755 | 2,080 | 59,533 | 51,231 |
| Group-wide expenses | -27,070 | -27,002 | -1,636 | -711 | -485 | -685 | -1,041 | -854 | -30,232 | -29,252 |
| Operating profit/loss | 20,571 | 18,631 | 1,471 | -285 | 3,545 | 2,407 | 3,714 | 1,226 | 29,301 | 21,979 |
| Net financial items | - | - | - | - | - | - | - | - | 59 | -522 |
| Profit/loss for the period before tax | | | | | | | | | 29,360 | 21,457 |

The Board of Directors and President hereby certify that this Year-end Report gives a true and fair view of the company's and the Group's operations, financial position and results of operations and states the significant risks and uncertainty factors facing the company and Group companies.

Magnus Berglind
Board member

Johan Qviberg
Board member

Anna Storåkers
Board member

Dan Berlin
Board member

Mernosh Saatchi
Board member

Erik Åfors
Board member

Stockholm, Sweden, 17 February 2017

Staffan Salén
Chairman of the board

Zoran Covic
Chief Executive Officer

The information disclosed in this Year-end Report is mandatory for Ework Scandinavia AB (publ) to publish pursuant to the Swedish Securities Markets Act. This information will be submitted for publication at 08:00 a.m. (CET) on 17 February 2017. This Year-end Report has not been reviewed by the company's auditor.

Definitions

A number of measures and key indicators appearing in the Interim Report are defined below. Most should be considered generally accepted, and of such nature that they could be expected to be presented in this Interim Report to give a view of the Group's results of operations, profitability and financial position. Most measures and key indicators are directly reconcilable with the financial statements.

Earnings per share

Profit after tax in relation to the number of shares.

Consultants on assignment

The number of consultants working on active full or part-time assignments

Equity/assets ratio

Equity in relation to total assets.

Equity per share

Equity in relation to the number of shares outstanding before dilution at the end of the period.

Interest-bearing assets

Cash and cash equivalents.

Net interest-bearing assets

Cash and cash equivalents less non-interest-bearing liabilities

Operating margin, EBIT

Operating profit in relation to net sales.

Operating profit, EBIT

Operating profit

Profit margin

Profit before tax in relation to net sales.

Order intake

Ordered net sales on new or extended consulting assignment contracts in the period.

Quick ratio

Current assets in relation to current liabilities.

Return on equity

Profit after tax in relation to average equity.

Sales growth

Net sales for the period less net sales for the comparative period in relation to net sales for the comparative period.

Working capital

Current assets less current liabilities.

Ework Group is a market-leading, independent consultant provider active in northern Europe focusing on IT, telecom, technology and business development. With no consultants employed, Ework is able to match each assignment with appropriate competence from the whole market impartially. Ework was founded in Sweden in 2000, and is now active in Sweden, Denmark, Norway, Finland and Poland. The Company has framework agreements with over 160 leading corporations in most sectors, and some 7,000 consultants on assignment. Ework's headquarters are in Stockholm, Sweden. Ework's shares are quoted on Nasdaq Stockholm.

ework

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Corporate ID no. 556587-8708

Reporting calendar

| | |
|------------------------------|------------------|
| Annual Report 2016 | Early April 2017 |
| First-quarter Interim Report | 24 April 2017 |
| Semi-annual Report | 19 July 2017 |
| Nine-month Interim Report | 26 October 2017 |

Contacts for more information

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