

Continued good growth and investments in digitalisation

Fourth quarter 2019 compared to corresponding period of 2018

- Net sales increased by 12% to SEK 3,543 M (3,172).
- EBIT for the period was SEK 32.1 M (38.9).
- The decreased earnings are mainly due to higher expenses for investments in our digital platform, which reduced EBIT by SEK -13.0 M (-3.0).
- Profit after financial items was SEK 28.3 M (37.1).
- Order intake of SEK 6,267 M (5,776), a 9% increase.
- Earnings per share after tax after dilution were SEK 1.26 (1.73).
- Norway showed strong growth and increased profitability. Finland has returned to growth and healthy profitability, Poland is still progressing positively.

Full year 2019 compared to 2018

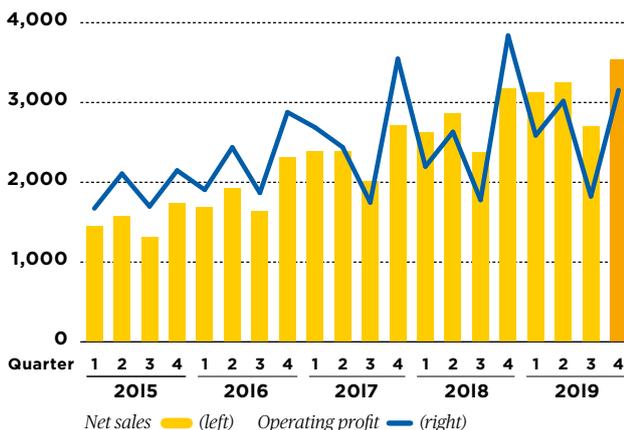
- Net sales increased by 14% to SEK 12,621 M (11,036).
- EBIT for the period increased by 1% to SEK 107.9 M (106.5).
- Our digital initiative reduced EBIT by SEK -37.7 M (-17.1)
- Profit after financial items was SEK 96.6 M (101.7).
- Earnings per share after tax after dilution were SEK 4.37 (4.58).
- Order intake of SEK 17,594 M (15,796), an 11% increase.
- The Board has decided to propose an unchanged dividend of SEK 4.50 per share (4.50) to the AGM.

"We finished the final quarter of the year in sustained healthy growth. The start-up of our digital business helped to keep strengthening our market position."

Zoran Covic, CEO

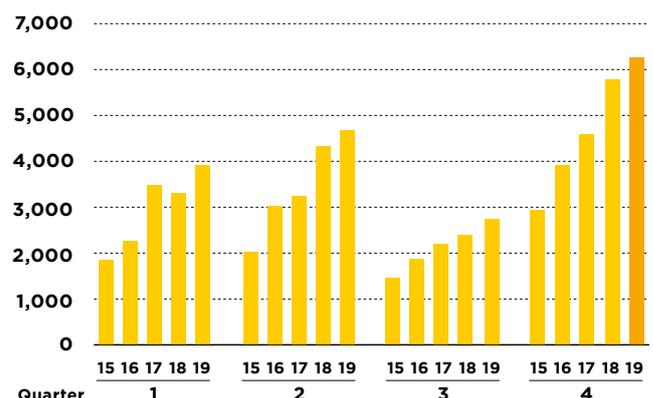
Net sales and operating profit

SEK M



Quarterly order intake

SEK M





Ework's regeneration is starting to pay off

We finished the final quarter of the year in sustained healthy growth. The start-up of our digital business helped to keep strengthening our market position.

We started the successful launch of the digital platform we developed in-house in the quarter. Several of our major accounts have now started to use it for their consultant delivery, and others are in implementation. These include current and new business clients, business we've won through the enhanced functionality and efficiency our new platform offers clients. This is long-term business, and means we're in a great position to satisfy our clients' consulting needs for a long time ahead.

Our new digital platform consists of several interconnected modules, comprising a system for consultant purchasers, a portal for consultants and a system for Ework internally. For the client, our new digital platform automates and streamlines the purchasing procurement process for consultant purchasing. It creates more value for clients, and a new complementary revenue source for Ework. The digital platform will also enable our staff to offer clients faster service and new services with optimum quality. With greater automation and AI technology, it makes our proposition more scalable and advances our market positioning for future consultant deliveries. Ework has also invested in a portal for consultants, thus offering even better functionality for presenting themselves, as well as finding and managing attractive assignments. Accordingly, this digital platform means us regenerating and evolving our business model. Obviously, this initiative has generated substantial development costs, most of which were charged to earnings. We anticipate these costs tapering off in the second half-year 2020, and to be lower in the full year 2020 than in 2019.

The quarter's narrower EBIT margin is mainly explained by the expenses we took related to our digital initiative. Our underlying business progressed consistently with the corresponding period of the previous year. We're also seeing some cyclical effect on income, consistent with the downturn of our indicators. For example, applications from available consultants continued to fall in the period, while the number of assignment enquiries did reduce somewhat. We continued to grow on a weaker market, and accordingly, continued to win market shares. I'm pleased to conclude that we succeeded in securing new business clients in the market conditions prevailing in 2019.

We're prepared for these slower market conditions sustaining for a time, and will retain our focus on adapting and fine-tuning our costs. We will also put a sharper focus on offering new services that enable a larger income base, and are open to new business models.

Of our foreign subsidiaries, Poland and Norway are in especially high growth, and profitable. We will report Poland as an independent segment from our next quarterly Report onwards, instead of as part of the Sweden segment as we have to date. Finland returned to growth in the quarter, with good profitability. In Denmark, sales were down somewhat. We took some expenses for organisational changes in subsidiaries in the quarter, mainly visible in the numbers for Denmark.

We're standing by our fundamental strategy of being the best and most effective consultant provider. After significant investments in our digitalisation, we have realised Ework's regeneration, which is now starting to pay off. Accordingly, I take a positive view of our potential for continued growth and positive earnings performance in 2020 and beyond.

Zoran Covic, CEO

Stockholm, Sweden, 13 February 2020

FOURTH QUARTER 2019

Increased sales from a stronger market position

Market

Once again in the fourth quarter, the consultant market, mainly in Sweden, was somewhat weaker than in the previous year. The demand for consultants for new assignments was slightly lower than in the previous year. Progress was similar in most skills segments where Ework is active. Ework's demand indicators, primarily in Sweden, did show some downturn, through a reduced number of enquiries received and more consultant applications.

Business model and revenue streams

Ework is a specialist in finding the right consultant for each assignment quickly, and the right solution to consultant needs for each client.

Our proposition *for clients* evolved and expanded in the year, with a digital platform, which will generate extra revenues for Ework.

For consultants, ever since our start-up, Ework has been developing services and tools designed to enable consultants to find the right assignments, and manage assignments efficiently. Going forward, this value-added will also generate revenue for Ework. In 2020, Ework is launching a new, technologically sophisticated portal for consultants, which radically streamlines and improves consultant and assignment matching.

The Group's net sales

The Group's net sales for the fourth quarter were up by 12% to SEK 3,543 M (3,172). Growth was healthy in Sweden and Poland, as well as Norway. Our operation in Finland returned to growth with good profitability after slower progress earlier in the year. The Danish operation had lower income. For the year January-December 2019, net sales were up by 14% to SEK 12,621 M (11,036). Sweden, Poland and Norway contributed to growth, while income in Finland and Denmark was down on the previous year.

The Group's earnings

The Group's EBIT for the fourth quarter of 2019 was SEK 32.1 M (38.9). EBIT for the full-year period was up by 1% to SEK 107.9 M (106.5).

Profit for the period was still charged with higher expenses for digitalisation and automation, and some previously decided organisational changes, which meant that expenses were up on the previous year overall. Fourth-quarter earnings growth was also negatively impacted by an unfavourable change in the sales mix, which Ework regards as cyclical.

The investment in our digital platform generated expenses, some of which were capitalised. The effect of these costs on EBIT is illustrated in the following table:

SEK M	Q4 2019	Q4 2018	2019	2018
Expenses for digitalisation	-17.7	-7.4	-56.5	-27.0
Capitalised expenses for digitalisation	4.7	4.4	18.8	9.9
Impact on EBIT of expenses for digitalisation	-13.0	-3.0	-37.7	-17.1

The adoption of IFRS 16 involves a reallocation of expenses related to leases. For the January-December period, other external expenses reduced by SEK 22.9 M, depreciation and amortisation increased by SEK 21.8 M, and interest expenses increased by SEK 1.6 M. Accordingly, the adoption of IFRS 16 resulted in profit after tax for the full year decreasing by SEK 0.5 M on the corresponding period of the previous year.

Profit after financial items was SEK 28.3 M (37.1) for the fourth quarter and SEK 96.6 M (101.7) for the full-year period of January-December. Net financial income/expense decreased to SEK -3.7 M (-1.8) in the quarter and SEK -11.3 M (-4.8) for the full-year period due to increased borrowing due to higher volumes for support services related to advance payments to consultants. Income from these services is recognised in EBIT. Profit after tax was SEK 21.7 M (29.8) for the fourth quarter and SEK 75.3 M (78.9) for the full year period 2019.

Order intake

The Group's sales progressed positively in the fourth quarter. Order intake for the quarter was up by 9% to SEK 6,267 M (5,776). Order intake includes new business orders, and orders resulting from extensions. The number of consultants on assignment continued to rise, peaking at 10,731 (9,771).

Sweden

The Swedish operation was in continued healthy growth, with quarterly net sales increasing by 10% to SEK 2,916 M (2,655). For the full-year period, net sales were up by 14% to SEK 10,358 M (9,118). Growth is broadly allocated across geographical units and different skills segments. EBIT decreased by 27%, was SEK 26.1 M (35.5) for the fourth quarter, and down by 6% for the January-December period, to SEK 95.6 M (101.7). The investment in our digital platform generated expenses, some of which were capitalised. This means that EBIT was charged with SEK 13.0 M (3.0) in the quarter, and SEK 37.7 M (17.1) for the full year. The Polish operation was still reported under the Sweden segment in 2019, and passed 500 consultants on assignment in the period. The Polish operation contributed positive earnings in the fourth quarter, as it did for the full-year period. Operations have now attained the scale for reporting as an independent segment from the next Interim Report onwards.

Norway

The income of the Norwegian operations continued to rise sharply. Net sales for the quarter were up by 44% to SEK 381 M (264). For the full-year period, net sales were SEK 1,301 M (901), a 44% increase. EBIT increased by 267% to SEK 5.7 M (1.6) for the quarter and SEK 14.2 M (4.5) for 2019, a 215% increase. The fourth quarter was charged with restructuring expenses of SEK 1.6 M. Positive progress in the quarter, and the January-December period, is sourced from new business accounts and increased sales to current business clients.

Finland

The Finnish operation returned to growth, and net sales increased by 3% in the fourth quarter to SEK 136 M (133). Net sales for the full year were SEK 524 M (536), a 2% decrease. EBIT increased by 26% for the quarter to SEK 2.1 M (1.7), and SEK 5.1 M (0.2) for the full year. .

Denmark

The income of the Danish operation decreased in the period, and as in previous quarters, is mainly attributable to changes made on one major account that this operation was unable to offset with new business clients and assignments. Net sales were down by 8% to SEK 111 M (120). Net sales for the January-December period were SEK 438 M (481), down by 9%. Further measures were taken in the quarter to adapt expenses to lower sales, generating restructuring expenses of SEK 1.4 M. Fourth-quarter EBIT was SEK -1.8 M (0.2). EBIT for the January-December period was SEK -6.9 M (0.1).

Financial position and cash flow

The equity/assets ratio at the end of the period was 4.1% (4.7). Cash flow from operating activities was SEK 71.5 M (26.0) for the fourth quarter. Changes in working capital between different reporting dates is mainly due to all payments from clients, and to 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.

For the full-year period, cash flow from operating activities was SEK 21.9 M(31.5). The firm holds a SEK 550 M (350) credit facility for support services for faster payments to consultants on assignment for Ework. Accounts receivable have been pledged as collateral for this facility. The effect of the adoption of IFRS 16 in 2019 means that lease payments are part of financing activities instead of cash flow from operating activities, corresponding to SEK 22.9 M for the full-year period.

Workforce

The average number of employees in the fourth quarter was 301 (307), with the reduction a result of rationalisation and cost savings initiated earlier in the year. The average number of employees in the financial year increased to 306 (297). The increase for the full-year period relates to a rise in the average number of employees in the first half-year. The average number of employees of the Group decreased from the third quarter, with fewer employees in Sweden and Denmark, but more in Poland, while other countries were largely unchanged.

Parent Company

The Parent Company's net sales were SEK 2,820 M (2,598) for the fourth quarter. Quarterly profit before financial items was SEK 24.2 M(35.4), and profit after tax was SEK 44.1M (25.4).

For the full year, Parent Company net sales were SEK 10,040 M (8,922). Profit before financial items was SEK 88.1 M (103.0), and profit after tax was SEK 91.7 M (77.0). At the end of the fourth quarter, Parent Company equity was SEK 142.0 M (127.8), and the equity/assets ratio was 4.3% (4.5).

In the fourth quarter, the Parent Company received a dividend of SEK 27.4 M from participations in subsidiaries. At the end of the quarter, participations in group companies were SEK 34.2 M (22.1). The increase consists of a share issue in the Polish subsidiary. Otherwise, the above comments regarding the Group's financial position also apply to the Parent Company where appropriate.

Subsequent events

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

Significant risks and uncertainty factors

A previously reported claim from the Norwegian tax agency of approximately SEK 10 M remains. Ework is contesting liability, and views this risk as low.

Otherwise, Ework's material business risks, for the Group and Parent Company, consist of reduced demand for consulting services, difficulties in attracting and retaining skilled staff, credit risks, and to a lesser extent, currency risks. The firm is not aware of any new material business risks over the next six months. For a more detailed review of material risks and uncertainty factors, please refer to Ework's Annual Report for 2018.

Other information

The company has three outstanding stock option programmes that are part of an incentive programme for key personell 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 113.63, 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

In February 2016, Ework expressed the ambition of achieving average yearly sales growth of 20% and an average increase of earnings per share of 20% per year in the years 2016 to 2020 inclusive. In light of progress in 2018 and 2019, Ework does not expect to fully realise its express ambition. The ambition for 2020 remains to achieve sales growth and to increase earnings per share by at least 20% compared to 2019.

Dividend

Based on the Board of Directors' confidence in the firm's future progress and its financial position, the Board is proposing a dividend of SEK 4.50 per share (4.50) to the AGM, totalling SEK 77.6 M (77.6), or 85% of the Parent Company's profit after tax.

Annual General Meeting

Ework's AGM will be held on Wednesday, 29 April 2020 in Stockholm, Sweden. The Nomination Committee has been appointed pursuant to the guidelines adopted by Ework's AGM in 2019.

Nomination Committee

The Nomination Committee for the AGM 2020 has the following members:

- Magnus Berglind, Chairman with personal holdings and holdings via endowment insurance
- Tim Floderus, appointed by Investment AB Öresund
- Staffan Salén, appointed by Salénia AB

Shareholders wishing to contact the Nomination Committee should send an email to:
valberedningen@eworkgroup.com

Zoran Covic, CEO

Stockholm, Sweden, 13 February 2020

Key performance data

SEK 000	October-December 2019	October-December 2018	Full year 2019	Full year 2018
Net sales	3,543,025	3,172,137	12,621,305	11,035,613
EBIT	32,069	38,904	107,942	106,531
Profit before tax	28,340	37,101	96,599	101,713
Profit for the period	21,677	29,774	75,290	78,892
Sales growth, %	11.7	16.9	14.4	16.1
EBIT margin, %	0.9	1.2	0.9	1.0
Profit margin, %	0.8	1.2	0.8	0.9
Return on equity, %	59.0	84.0	48.0	51.3
Total assets	3,854,186	3,316,630	3,854,186	3,316,630
Equity	158,107	155,610	158,107	155,610
Equity/assets ratio, %	4.1	4.7	4.1	4.7
Acid test ratio, %	102.0	103.7	102.0	103.7
Average number of employees	301	307	306	297
Net sales per employee	11,771	10,333	41,246	37,157

Key ratios per share

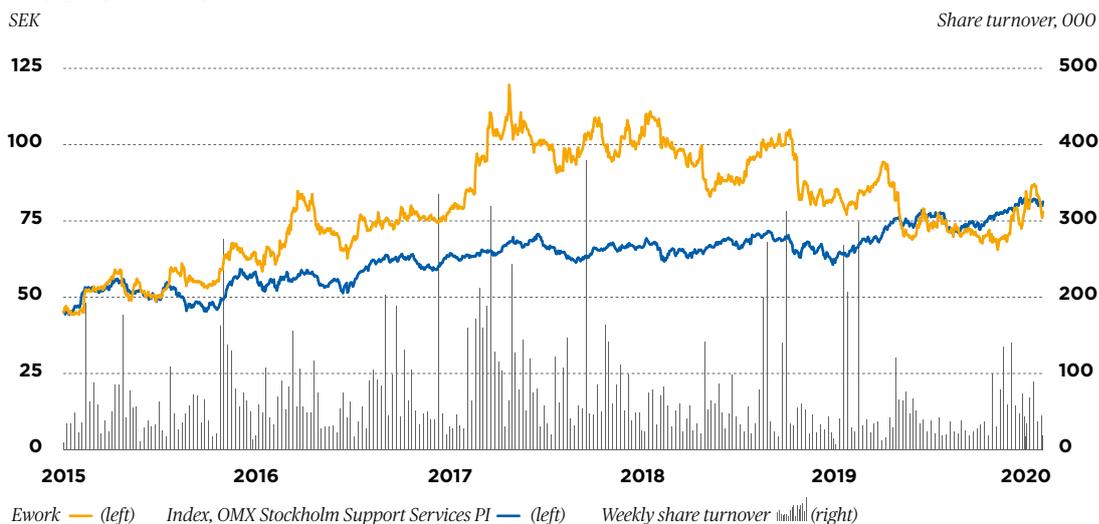
Earnings per share before dilution, SEK	1.26	1.73	4.37	4.58
Earnings per share after dilution, SEK	1.26	1.73	4.37	4.58
Equity per share before dilution, SEK	9.2	9.0	9.2	9.0
Equity per share after dilution, SEK	9.2	9.0	9.2	9.0
Cash flow from operating activities per share before dilution, SEK	4.15	1.51	1.27	1.83
Cash flow from operating activities per share after dilution, SEK	4.15	1.51	1.27	1.83
Number of shares outstanding at end of period before dilution (000)	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
Average number of shares outstanding before dilution (000)	17,240	17,240	17,240	17,240
Average number of shares outstanding after dilution (000)	17,240	17,240	17,240	17,240

Shareholders

As of 31 December 2019	No. of shares	Votes and equity
Staffan Salén and family through company ¹⁾	4,916,975	28.5 %
Försäkringsbolaget Avanza Pension	3,167,446	18.4 %
Investment AB Öresund	1,726,988	10.0 %
Protector Forsikring ASA	1,720,499	10.0 %
Katarina Salén, private and through family company	473,962	2.7 %
Patrik Salén and family through company	402,000	2.3 %
Ålandsbanken, on behalf of shareholders	378,480	2.2 %
Erik Åfors through company	277,291	1.6 %
Claes Ruthberg	180,000	1.0 %
Nordnet Pensionsförsäkring AB	174,401	1.0 %
Sub-total	13,418,042	77.8 %
Other	3,821,633	22.2 %
Total	17,239,675	100 %

¹⁾ Salénia AB

The Ework share



Consolidated Statement of Income and Other Comprehensive Income

SEK 000	Note	October-December 2019	October-December 2018	Full year 2019	Full year 2018
Operating income					
Net sales	1	3,543,025	3,172,137	12,621,305	11,035,613
Other operating income		36	36	36	67
Total operating income		3,543,060	3,172,173	12,621,341	11,035,680
Operating costs					
Cost of consultants on assignment		-3,399,277	-3,042,993	-12,122,011	-10,576,742
Work performed by the company for its own use and capitalized		4,684	4,484	18,847	12,473
Other external costs		-38,495	-29,118	-118,591	-108,570
Personnel costs		-69,777	-63,879	-261,929	-250,487
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets		-8,125	-1,763	-29,714	-5,823
Total operating costs		-3,510,991	-3,133,269	-12,513,399	-10,929,149
Earnings before interest and taxes		32,069	38,904	107,942	106,531
Profit from financial items					
Net financial income/expense		-3,729	-1,803	-11,344	-4,818
Profit after financial items		28,340	37,101	96,599	101,713
Tax		-6,663	-7,327	-21,309	-22,821
Profit for the period		21,677	29,774	75,290	78,892
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		329	-2,444	4,673	2,243
Other comprehensive income for the period		329	-2,444	4,673	2,243
Comprehensive income for the period		22,007	27,330	79,963	81,135
Earnings per share					
before dilution (SEK)		1.26	1.73	4.37	4.58
after dilution (SEK)		1.26	1.73	4.37	4.58
<i>Number of shares outstanding at end of reporting period:</i>					
before dilution (000)		17,240	17,240	17,240	17,240
after dilution (000)		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
after dilution (000)		17,240	17,240	17,240	17,240

Consolidated Statement of Financial Position

SEK 000	31 December 2019	31 December 2018
Assets		
Non-current assets		
Intangible assets	46,355	32,882
Property, plant and equipment	5,095	5,235
Right-of-use assets	53,268	-
Deferred tax asset	4,974	-
Non-current receivables	1,212	1,905
Total non-current assets	110,904	40,022
Current assets		
Accounts receivable	3,357,687	3,038,540
Tax receivables	2,098	-
Other receivables	15,629	15,713
Prepaid expenses and accrued income	131,281	84,410
Cash and cash equivalents	236,588	137,945
Total current assets	3,743,282	3,276,608
Total assets	3,854,186	3,316,630
Equity and liabilities		
Equity		
Share capital	2,241	2,241
Other paid-up capital	59,749	59,636
Translation reserve	4,219	-454
Retained earnings including profit for the period	91,898	94,187
Total equity	158,107	155,610
Non-current liabilities		
Lease liabilities	27,733	-
Total non-current liabilities	27,733	-
Current liabilities		
Current interest-bearing liabilities	550,000	350,000
Lease liabilities	20,989	-
Accounts payable	3,019,859	2,716,781
Tax liabilities	-	5,333
Other liabilities	33,138	42,861
Accrued expenses and deferred income	44,360	46,045
Total current liabilities	3,668,346	3,161,020
Total equity and liabilities	3,854,186	3,316,630

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. 2018	2,241	59,273	-2,697	92,874	151,691
Comprehensive income for the period					
Profit for the period				78,892	78,892
Other comprehensive income for the period			2,243		2,243
Comprehensive income for the period			2,243	78,892	81,135
Transactions with the Group's shareholders					
Dividends				-77,579	-77,579
Premiums deposited on issuance of share warrants		363			363
Closing equity, 31 Dec. 2018	2,241	59,636	-454	94,187	155,610
Opening equity, 1 Jan. 2019	2,241	59,636	-454	94,187	155,610
Comprehensive income for the period					
Profit for the period				75,290	75,290
Other comprehensive income for the period			4,673		4,673
Comprehensive income for the period			4,673	75,290	79,963
Transactions with the Group's shareholders					
Dividends				-77,579	-77,579
Premiums deposited on issuance of share warrants		113			113
Closing equity, 31 Dec. 2019	2,241	59,749	4,219	91,898	158,107

Consolidated Statement of Cash Flows

SEK 000	October-December 2019	October-December 2018	Full year 2019	Full year 2018
Operating activities				
Profit after financial items	28,340	37,101	96,599	101,713
Adjustment for items not included in cash flow	8,125	1,763	29,714	5,823
Income tax paid	-6,612	-5,544	-28,660	-25,126
Cash flow from operating activities before changes in working capital	29,854	33,320	97,653	82,410
Cash flow from changes in working capital	41,672	-7,354	-75,747	-50,938
Increase (-)/decrease (+) in operating receivables	-330,265	-458,550	-354,133	-397,247
Increase (+)/decrease (-) in operating liabilities	371,937	451,196	278,386	346,309
Cash flow from operating activities	71,526	25,966	21,906	31,472
Investing activities				
Acquisition of property, plant & equipment	2	-747	-1,336	-1,168
Acquisition of intangible assets	-4,684	-4,546	-18,963	-12,710
Cash flow from investing activities	-4,681	-5,293	-20,299	-13,878
Financing activities				
Premiums deposited on issuance of share warrants	113	363	113	363
Dividend paid to Parent Company shareholders	-	-	-77,579	-77,579
Amortisation of lease liability	-6,466	-	-22,888	-
Borrowings	80,000	-	200,000	149,829
Cash flow from financing activities	73,647	363	99,645	72,613
Cash flow for the period	140,492	21,036	101,253	90,207
Cash and cash equivalents at beginning of period	95,215	119,018	137,945	48,630
Exchange rate difference	881	-2,109	-2,610	-892
Cash and cash equivalents at end of period	236,588	137,945	236,588	137,945

Parent Company Income Statement

SEK 000	October-December 2019	October-December 2018	Full year 2019	Full year 2018
Operating income				
Net sales	2,819,850	2,598,261	10,040,044	8,922,154
Other operating income	8,361	4,090	36,712	25,082
Total operating income	2,828,211	2,602,351	10,076,756	8,947,236
Operating costs				
Cost of consultants on assignment	-2,718,060	-2,496,580	-9,677,102	-8,569,553
Work performed by the company for its own use and capitalized	4,684	4,484	18,847	12,473
Other external costs	-44,947	-27,440	-145,425	-101,271
Personnel costs	-43,996	-45,763	-178,220	-180,670
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets	-1,736	-1,603	-6,755	-5,219
Total operating costs	-2,804,055	-2,566,902	-9,988,656	-8,844,240
Earnings before interest and taxes	24,156	35,449	88,100	102,996
Profit/loss from financial items				
Dividends from participation in subsidiaries	27,406	-	27,406	-
Other interest income and similar items	-567	124	2,717	1,362
Interest expense and similar items	-2,151	-2,753	-8,428	-5,101
Profit after financial items	48,843	32,820	109,795	99,257
Tax	-4,758	-7,388	-18,117	-22,268
Profit for the period *	44,086	25,432	91,678	76,989

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

Parent Company Balance Sheet

SEK 000	31 December 2019	31 December 2018
Assets		
Non-current assets		
Intangible assets	46,355	32,882
Property, plant and equipment	3,998	3,530
Financial assets		
Other non-current receivables	633	1,182
Participations in Group companies	34,215	22,084
Total financial assets	34,848	23,266
Total non-current assets	85,201	59,678
Current assets		
Accounts receivable	2,786,334	2,561,357
Receivables from Group companies	146,910	107,316
Tax receivables	4,977	-
Other receivables	104	90
Prepaid expenses and accrued income	98,560	54,154
Cash and bank balances	162,112	51,435
Total current assets	3,198,997	2,774,352
Total assets	3,284,198	2,834,030
Equity and liabilities		
Equity		
Restricted equity		
Share capital (17,239,675 shares with par value of SEK 0.13)	2,241	2,241
Statutory reserve	6,355	6,355
Development fund	45,783	32,174
Total restricted equity	54,380	40,770
Non-restricted equity		
Share premium reserve	9,518	40,848
Retained earnings	-13,609	-30,855
Profit for the period	91,678	76,989
Total non-restricted equity	87,587	86,982
Total equity	141,967	127,752
Current liabilities		
Liabilities to credit institutions	550,000	350,000
Accounts payable	2,531,241	2,280,246
Liabilities to Group companies	6,519	15,285
Tax liabilities	-	4,889
Other liabilities	24,076	22,142
Accrued expenses and deferred income	30,396	33,716
Total current liabilities	3,142,231	2,706,278
Total equity and liabilities	3,284,198	2,834,030

Accounting policies

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

Ework is applying IFRS 16 Leases, which replaces IAS 17 Leases, effective 1 January 2019. On entering a lease, the Group recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, consisting of the lease liability's original value plus lease payments to be paid at or before the start date, plus any initial direct expenses. The right-of-use asset is then amortised on a straight-line basis from the start date to the earlier of the end of the asset's useful life and the end of the lease term.

The lease liability is initially measured at the present value of the future lease payments that have not been paid at the start date. Lease payments are discounted by the Group's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. The lease liability is restated if future lease payments change depending on changes to an index or rate. When the lease liability is remeasured in this way, the right-of-use asset's carrying amount is restated correspondingly.

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

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

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

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

The operations in Poland are reported in the Sweden segment.

Note 1 The Group's operating segments

Fourth quarter 2019 compared to fourth quarter 2018

SEK 000	Sweden Oct-Dec		Finland Oct-Dec		Denmark Oct-Dec		Norway Oct-Dec		Total Oct-Dec	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income from clients	2,915,728	2,655,199	136,061	132,673	110,544	119,878	380,692	264,387	3,543,025	3,172,137
Profit per segment	41,372	55,656	3,154	1,963	-797	287	8,102	4,796	51,831	62,702
Group-wide expenses	-15,310	-20,173	-1,046	-292	-1,043	-101	-2,366	-3,232	-19,762	-23,798
EBIT	26,062	35,483	2,107	1,671	-1,841	186	5,737	1,564	32,069	38,904
Net financial items	-	-	-	-	-	-	-	-	-3,729	-1,803
Profit/loss for the period before tax									28,340	37,101

January-December 2019 compared to the same period of 2018

SEK 000	Sweden Jan-Dec		Finland Jan-Dec		Denmark Jan-Dec		Norway Jan-Dec		Total Jan-Dec	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income from clients	10,357,883	9,117,684	524,473	535,780	438,357	481,412	1,300,591	900,737	12,621,305	11,035,613
Profit per segment	152,301	173,284	9,297	3,871	-2,787	3,050	22,697	11,386	181,509	191,591
Group-wide expenses	-56,655	-71,575	-4,237	-3,660	-4,147	-2,936	-8,528	-6,889	-73,566	-85,060
EBIT	95,646	101,709	5,061	211	-6,934	114	14,169	4,497	107,942	106,531
Net financial items	-	-	-	-	-	-	-	-	-11,344	-4,818
Profit/loss for the period before tax									96,599	101,713

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.

Staffan Salén
Chairman of the Board

Magnus Berglind
Board member

Johan Qviberg
Board member

Anna Storåkers
Board member

Dan Berlin
Board member

Mernosh Saatchi
Board member

Erik Åfors
Board member

Zoran Covic
Chief Executive Officer
Stockholm, Sweden, 13 February 2020

The information disclosed in this Year-end Report is mandatory for Ework Group AB (publ) to publish pursuant to the EU Market Abuse Regulation. This information will be submitted for publication at 11:00 a.m. (CET) on 13 February 2020 through the agency of the Chief Executive Officer.

This Year-end Report has not been reviewed by the company's auditors.

Definitions

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

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

Key indicator	Definition and usage
Earnings per share	Profit for the period in relation to the number of outstanding shares after 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 after 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 over 10,000 consultants on assignment. Ework's head office is in Stockholm. Its shares are listed on Nasdaq Stockholm.

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Forthcoming financial reports

Annual Report 2019	Early-April 2020
Interim Report, January-March 2020	29 April 2020
Annual General Meeting	29 April 2020
Interim Report, April-June 2020	16 July 2020
Interim Report, July-September 2020	22 October 2020

Contacts for more information

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