

Continued recovery in the fourth quarter

We're proud to report a fourth quarter with continued recovery. Thanks to our employees' efforts, resolute cost reductions and our digital offering, we really succeeded in spite of the reduced demand in the year.

Zoran Covic, CEO

Fourth quarter 2020 compared to 2019

- Net sales were SEK 3,238 M (3,543).
- EBIT was SEK 17.2 M (32.1).
- Profit after financial items amounted to SEK 14.2 M (28.3).
- Other operating income, and thus profit, was negatively impacted by SEK 4.3 M after a decision by the Board of Directors to repay covid-related furlough support received.
- Profit was charged with SEK 7.0 M provisioned for the previously reported tax dispute in Norway, after a ruling by the Norwegian Tax Agency against the company. Ework is considering an appeal against this decision.
- Order intake was SEK 6,047 M (6,267).
- Earnings per share after tax before and after dilution were SEK 0.66 (1.26).

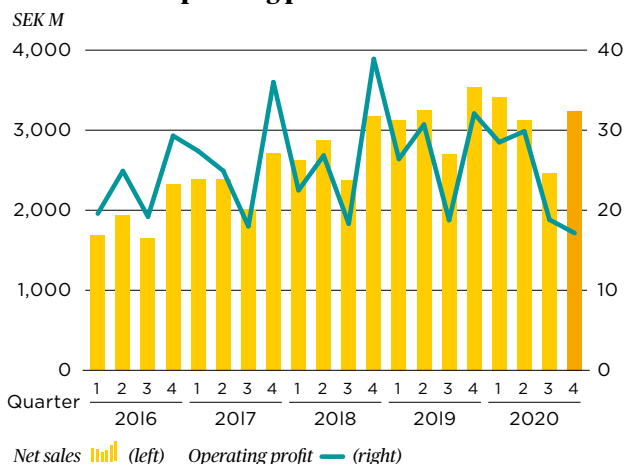
Full year 2020 compared to 2019

- Net sales amounted to SEK 12,238 M (12,621).
- EBIT was SEK 94.3 M (107.9).
- Profit after financial items of SEK 84.9 M (96.6).
- Full-year profit was also charged with the SEK 7.0 M for provisions in the fourth quarter for a tax dispute in Norway.
- Order intake was SEK 16,888 M (17,594).
- Earnings per share after tax before and after dilution were SEK 4.02 (4.37).
- The Board of Directors is proposing a dividend of SEK 4.50 per share for the financial year 2020.

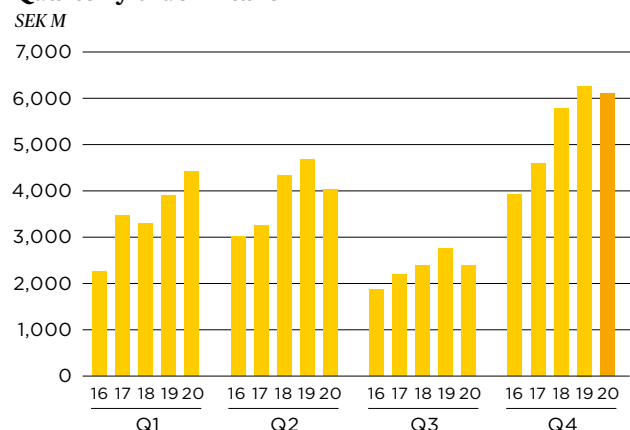
Events after the period

- An Extraordinary General Meeting (EGM) on 27 January approved the dividend of SEK 2.00 per share for the financial year 2019, and elected Frida Westerberg as a Director.

Net sales and operating profit



Quarterly order intake



CEO's STATEMENT

Ework shows its strength

We're proud to report a fourth quarter with continued recovery. Thanks to our employees' efforts, resolute cost reductions and our digital offering, we really succeeded in spite of the reduced demand in the year.



Ework showed impressive resilience in 2020, reporting EBIT of SEK 94.3 M for the financial year. As we provisioned SEK 7 M in the fourth quarter for a tax dispute in Norway, the underlying earnings downturn was limited to about 6%. Net sales decreased by some 8%.

We've got every reason to be satisfied with our results –not only did we deal with the exceptional challenges to our business and our people's everyday lives over the past year, we also continued to develop our operations. Our professionals have performed their duties really well despite all the challenges implicit in remote working.

Our substantial digital investments in recent years have enabled us to streamline our business, and as previously communicated, extensive cost reductions were already part of our plans ahead of this year. We executed them, and also accelerated and upgraded them, to address the effects of covid-19.

We also succeeded in driving the digitalisation of our business model with undiminished momentum through the continued implementation of our digital platform, Verama. This platform has consolidated our market positioning with clients, which yet again, demonstrates that Ework's offering brings our clients benefits they really appreciate in times of crisis and economic downturn.

By the end of the period, seven new and current business clients had decided to implement Verama. The process has gone smoothly, quickly creating benefits for clients and ourselves. On the consulting side, Verama's delivery portal is growing at a rate of some 100 new consulting firms each week, offering us still better potential to find the right consultant for our assignments quickly and efficiently.

I'm delighted that a number of our long-term clients, including Ericsson, decided to extend our partnership

during this year of crisis. At the same time, we signed up all-new business clients like the Swedish Police Service and ISS, where Verama was a basic prerequisite for these undertakings. In the cases of ISS and Ericsson, the assignments are multinational, which is indicative of our capability to systematically streamline clients' consultant procurement even in complex conditions.

Our largest market is Sweden, and here, our business was notably affected by the demand downturn, but still succeeded in generating healthy earnings in all quarters of the year. Poland has now expanded to a point where in 2021, we will be reporting this business separately as an independent segment. The progress of our other subsidiaries has also been in the right direction, with high growth in Norway being the shining example.

In the fourth quarter, we were able to return to a more offensive business stance. The market has outperformed the scenarios we anticipated in the first half-year, and the impact of the pandemic second wave was extremely limited in the fourth quarter. Consultant appointments to new assignments increased again in the quarter which meant that higher-margin business increased as a share of the sales mix.

For 2021, I still take a positive view of our potential to grow sales and earnings again, and further consolidate our market position, even if we are highly vigilant regarding progress and our capability to respond quickly to changes in demand.

Zoran Covic, CEO
Stockholm, Sweden 10 February 2021

A quarter distinguished by gradual recovery

Market

The demand for consultants for new assignments continued to recover in the period after the major covid-related downturn early in the year. The demand for consultant appointments—where Ework is assigned to find the right consultant for an assignment—increased, making up a larger share of the sales mix than earlier in the year. Our consultant base on assignments passed 10,000 again, peaking at 10,020 (10,731).

Ework's demand indicators suggest a larger base of available consultants than the corresponding period of the previous year, but also a continued recovery in the demand for consulting services.

Business model and revenue streams

The implementation of our digital platform Verama with clients and suppliers continued in the quarter. Verama has now been implemented on seven major client accounts, which consolidated Ework's positioning, helping expand total business with these clients.

The implementation of Verama's supplier and consultant modules also progressed well in the period, providing a portfolio of valuable services, and primarily, radically improved potential to identify relevant assignments. The effects of covid-19 had only a limited negative impact on this progress. The platform streamlines client procurement and operations, thus creating customer benefit, which is in demand even in cyclical downturns.

The Group's net sales

The Group's net sales were SEK 3,238 M (3,543) in the fourth quarter. For the full year, net sales were SEK 12,238 M (12,621). In the fourth quarter, Ework applied to repay the furlough support of SEK 4.3 M received earlier in the year. This support has been accounted as other operating income.

The downturn in the quarter compared to the previous year was due to reduced demand for consulting services, and to some extent, somewhat lower pricing. After stabilisation apparent in the third quarter, net sales increased progressively through the fourth quarter. The revenue base, in the form of consultants on assignment, is smaller than at the corresponding point of the previous year.

After some cost pressure earlier in the year, there was a positive shift in the sales mix in the quarter, with an increasing share of consultant appointments.

The Group's earnings

The Group's EBIT for the fourth quarter amounted to SEK 17.2 M (32.1). EBIT for the full year was SEK 94.3 M (107.9).

The earnings decrease is due to a smaller revenue base, and the decision to repay furlough support. Additionally, the Group provisioned SEK 7.0 M for a tax dispute in Norway, mentioned in the year's previous quarterly Reports. Ework was obliged to make a tax payment a supplier had omitted due to joint and several liability. Ework is considering an appeal against this ruling and has taken actions to avoid being affected by similar lapses by its suppliers in future.

The earnings downturn was limited by the resolute cost savings measures executed and communicated in the year. The costs of Ework's digital initiative reduced in the period, with the effects on EBIT indicated in the following table.

Net financial income/expense for the full year was SEK -9.4 M (-11.3), of which the interest expense was SEK -7.1 M (-10.0). Net financial income/expense for the quarter was SEK -2.9 M (-3.7), of which the interest expense was SEK -1.7 M (-2.4). The lower net financial income/expense is due to reduced utilisation of credit facilities mainly because of more restrictive use of the PayExpress faster payment service during the covid-19 pandemic.

Profit after financial items for the quarter was SEK 14.2 M (28.3). Profit after financial items for the full year amounted to SEK 84.9 M (96.6). Profit after tax for the quarter was SEK 11.4 M (21.7). Profit after tax for the full year was SEK 69.3 M (75.3).

Comments on progress

The Group's order intake was SEK 6,047 M (6,267) in the fourth quarter, and SEK 16,888 M (17,594) for the full year 2020. Order intake includes new assignments and extensions. The number of consultants on assignment in the fourth quarter peaked at 10,020 (10,731).

SEK M	Oct-Dec 2020	Oct-Dec 2019	2020	2019
Expenses for digitalisation	-12.1	-17.7	-54.7	-56.5
Capitalised expenses for digitalisation	4.2	4.7	18.0	18.8
Impact on EBIT of expenses for digitalisation	-7.9	-13.0	-36.7	-37.7

Sweden

The net sales of our Swedish business were SEK 2,612 M (2,916). The decrease is due to the demand downturn, and to some extent, cost pressure on consulting fees. Staff downsizing and general cost saving actions were taken, and took effect in the quarter, although previous short-term furloughing concluded at the end of September. The Board of Directors' decision to repay furlough support previously received had a SEK 4.3 M negative impact on other operating income in the fourth quarter.

EBIT was SEK 12.2 M (26.1). Net sales for the full year were SEK 9,886 M (10,358). Full-year EBIT amounted to SEK 63.9 M (95.6).

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. Effective the first quarter 2021, this business will be reported separately. In the financial year 2020, the net sales of the Polish operation were SEK 380.8 M, and EBIT was SEK 11.4 M.

Norway

The net sales of the Norwegian operation increased by 2% to SEK 386.5 M (380.7). EBIT was SEK 2.1 M (5.7). The sales gains are due to continued strong progress of this operation's market position, and demand from current and new business clients was high. The Norwegian operation was only marginally impacted by covid-19 due to its exposure to sectors whose effect in the period was limited. The decreased EBIT is due to Ework provisioning for a "joint and several liability, tax claim" in the current tax dispute amounting to SEK 7.0 M. Ework is considering appealing against this ruling, and has taken action to minimise the risk of similar situations in future.

Net sales for the full year rose by 10% to SEK 1,436 M (1,301). EBIT for the full year increased by 48% to SEK 21.0 M (14.2).

Denmark

The Danish operation's recovery continued its positive progress in terms of sales and earnings. Net sales were up by 29% to SEK 143.0 M (110.5). EBIT for the period increased to SEK 0.8 M (-1.8). 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 full year increased by 13% to SEK 496.0 M (438.4). EBIT for the full year improved to SEK 0.0 M (-6.9).

Finland

The net sales of the Finnish operation amounted to SEK 96.4 M (136.1). EBIT was in line with the corresponding quarter of the previous year at SEK 2.1 M (2.1). The revenue decrease is due to reduced client business activity resulting from covid-19. The fact that earnings equalled the previous year's level is due to successfully executed cost savings.

Net sales for the full year were SEK 419.4 M (524.5). Full-year EBIT increased by 85% to SEK 9.4 M (5.1). The earnings improvement 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 6.3% (4.1). The higher equity/assets ratio is mainly because of Ework's previous decision not to pay a dividend to shareholders.

Cash flow from operating activities for the fourth quarter was SEK 123.3 M (71.5). 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 (550) 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 365.0 M (30.0).

Workforce

The average number of employees in the fourth quarter was 276 (301). The average number of employees in the financial year reduced to 283 (306), 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.

Parent Company

The Parent Company's net sales for the fourth quarter were SEK 2,508 M (2,820). Profit after financial items was SEK 27.1 M (48.8), and profit after tax was SEK 26.2 M (44.1).

The Parent Company's equity was SEK 190.9 M (142.0) at the end of the quarter, and its equity/assets ratio was 7.0% (4.3). 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 full year amounted to SEK 9,479 M (10,040). Full-year EBIT was SEK 47.2 M (88.1).

Subsequent events

An Extraordinary General Meeting (EGM) on 27 January approved the dividend of SEK 2.00 per share for the financial year 2019, and elected Frida Westerberg as a Director.

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. 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.

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

Other information

The firm has two 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. 120,000 stock options issued in 2017 matured in 2020 with an exercise price of SEK 124.66, none of which were subscribed.

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. When the acceptance period expired on 4 November, acceptance for 43,007 shares had been received.

Outlook

General economic uncertainty related to the global covid-19 pandemic continued to affect Ework's business, resulting in reduced revenues. However, any effect in the fourth quarter was limited. 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. The cost savings of SEK 50 M on 2019 Ework previously reported are expected to take full effect in 2021. The firm expects to be able to improve revenue and profitability in 2021 compared to 2020.

Dividend

Based on the Board of Directors' judgment of the firm's future progress and its financial position, the Board of Directors is proposing a dividend of SEK 4.50 per share (2.00), totalling SEK 77.6 M (34.5) to the AGM. An EGM on 27 January approved the dividend of SEK 2.00 per share for the financial year 2019.

Annual General Meeting

Ework's AGM will be held on Wednesday, 28 April 2021 in Stockholm, Sweden. The Nomination Committee has been appointed pursuant to the guidelines adopted by Ework's AGM in 2020.

Nomination Committee

The Nomination Committee for the AGM 2021 has the following members:

- Magnus Berglind, Chairman with personal holdings and holdings via endowment insurance
- Jonas Backman, appointed by Protector Forsikring ASA
- Staffan Salén, appointed by Investment AB Arawak.

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

Zoran Covic, CEO
Stockholm, Sweden 10 February 2021

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 10 February 2021 through the agency of the Chief Executive Officer. This Year-end Report has not been reviewed by the company's auditors.

KEY PERFORMANCE DATA

SEK 000	October- December 2020	October- December 2019	Full year 2020	Full year 2019
Net sales	3,237,508	3,543,025	12,237,865	12,621,305
EBIT	17,150	32,069	94,308	107,942
Profit before tax	14,213	28,340	84,924	96,599
Profit for the period	11,442	21,677	69,335	75,290
Sales growth, %	-8.6	11.7	-3.0	14.4
EBIT margin, %	0.5	0.9	0.8	0.9
Profit margin, %	0.4	0.8	0.7	0.8
Return on equity, %	21.9	59.0	37.5	48.0
Total assets	3,362,601	3,854,186	3,362,601	3,854,186
Equity	212,074	158,107	212,074	158,107
Equity/assets ratio, %	6.3	4.1	6.3	4.1
Acid test ratio, %	103.9	102.0	103.9	102.0
Average number of employees	276	301	283	306
Net sales per employee	11,730	11,771	43,243	41,246
KEY RATIOS PER SHARE				
Earnings per share before dilution, SEK	0.66	1.26	4.02	4.37
Earnings per share after dilution, SEK	0.66	1.26	4.02	4.37
Equity per share before dilution, SEK	12.3	9.2	12.3	9.2
Equity per share after dilution, SEK	12.3	9.2	12.3	9.2
Cash flow from operating activities per share before dilution, SEK	7.15	4.15	21.96	1.27
Cash flow from operating activities per share after dilution, SEK	7.15	4.15	21.96	1.27
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

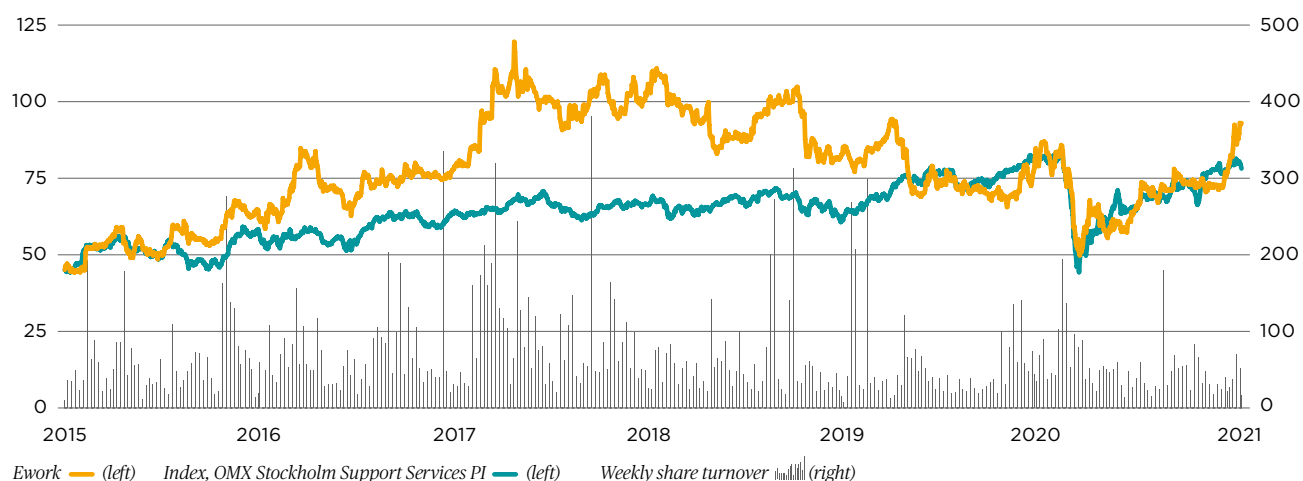
As of 31 December 2020	No. of shares	Votes and equity
Investment AB Arawak ¹⁾	5,294,266	30.7%
Försäkringsbolaget Avanza Pension	3,234,428	18.8%
Protector Forsikring ASA	1,720,499	10.0%
Investment AB Öresund	1,679,085	9.7%
Katarina Salén, private and through family companies	473,962	2.7%
Patrik Salén and family through companies	387,500	2.2%
Ålandsbanken, on behalf of shareholders	377,730	2.2%
Claes Ruthberg	180,000	1.0%
Nordnet Pensionsförsäkring AB	151,328	0.9%
Handelsbanken Liv Försäkringsaktiebolag	146,049	0.8%
Sub-total	13,644,847	79.1%
Other	3,594,828	20.9%
Total	17,239,675	100.0%

¹⁾ 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	October-December 2020	October-December 2019	Full year 2020	Full year 2019
Operating income					
Net sales	1	3,237,508	3,543,025	12,237,865	12,621,305
Other operating income		-4,283	36	308	36
Total operating income		3,233,224	3,543,060	12,238,173	12,621,341
Operating costs					
Cost of consultants on assignment		-3,132,944	-3,399,277	-11,804,293	-12,122,011
Work performed by the company for its own use and capitalized		4,241	4,684	17,969	18,847
Other external costs		-22,461	-38,495	-100,764	-118,591
Personnel costs		-56,720	-69,777	-225,406	-261,929
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets		-8,190	-8,125	-31,371	-29,714
Total operating costs		-3,216,074	-3,510,991	-12,143,865	-12,513,399
Earnings before interest and taxes		17,150	32,069	94,308	107,942
Profit from financial items					
Net financial income/expense		-2,937	-3,729	-9,386	-11,344
Profit after financial items		14,213	28,340	84,924	96,599
Tax		-2,771	-6,663	-15,588	-21,309
Profit for the period		11,442	21,677	69,335	75,290
Other comprehensive income					
<i>Items that have been reclassified, or are reclassifiable, to profit or loss</i>					
Translation differences on translation of foreign operations for the period		-4,649	329	-15,368	4,673
Other comprehensive income for the period		-4,649	329	-15,368	4,673
Comprehensive income for the period		6,793	22,007	53,967	79,963
Earnings per share					
before dilution (SEK)		0.66	1.26	4.02	4.37
after dilution (SEK)		0.66	1.26	4.02	4.37
<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 2020	31 December 2019
Assets		
Non-current assets		
Intangible assets	57,416	46,355
Property, plant and equipment	3,791	5,095
Right-of-use assets	43,839	53,268
Deferred tax asset	3,149	4,974
Non-current receivables	864	1,212
Total non-current assets	109,060	110,904
Current assets		
Accounts receivable	2,748,257	3,357,687
Tax receivables	12,294	2,098
Other receivables	18,205	15,629
Prepaid expenses and accrued income	235,670	131,281
Cash and cash equivalents	239,115	236,588
Total current assets	3,253,541	3,743,282
Total assets	3,362,601	3,854,186
Equity and liabilities		
Equity		
Share capital	2,241	2,241
Other paid-up capital	59,749	59,749
Translation reserve	-11,149	4,219
Retained earnings including profit for the period	161,233	91,898
Total equity	212,074	158,107
Non-current liabilities		
Lease liabilities	19,747	27,733
Total non-current liabilities	19,747	27,733
Current liabilities		
Current interest-bearing liabilities	215,016	550,000
Lease liabilities	19,690	20,989
Accounts payable	2,764,399	3,019,859
Other liabilities	21,691	33,138
Accrued expenses and deferred income	109,983	44,360
Total current liabilities	3,130,779	3,668,346
Total equity and liabilities	3,362,601	3,854,186

Consolidated Statement of Changes in Equity

SEK 000	Share capital	Other paid-up capital	Translation reserve	Retained earnings incl. profit for the period	Total equity
Opening equity, 1 Jan. 2019	2,241	59,636	-454	94,187	155,610
Comprehensive income for the period					
Profit for the period				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
Opening equity, 1 Jan. 2020	2,241	59,749	4,219	91,898	158,107
Comprehensive income for the period					
Profit for the period				69,335	69,335
Other comprehensive income for the period			-15,368		-15,368
Comprehensive income for the period			-15,368	69,335	53,967
Closing equity, 31 Dec. 2020	2,241	59,749	-11,149	161,233	212,074

Consolidated Statement of Cash Flows

SEK 000	October- December 2020	October- December 2019	Full year 2020	Full year 2019
Operating activities				
Profit after financial items	14,213	28,340	84,924	96,599
Adjustment for non-cash items	8,190	8,125	31,371	29,714
Income tax paid	-8,304	-6,612	-33,604	-28,660
Cash flow from operating activities before changes in working capital	14,099	29,854	82,691	97,653
Cash flow from changes in working capital	109,173	41,672	295,854	-75,747
Increase (-)/decrease (+) in operating receivables	-345,689	-330,265	456,554	-354,133
Increase (+)/decrease (-) in operating liabilities	454,862	371,937	-160,700	278,386
Cash flow from operating activities	123,272	71,526	378,544	21,906
Investing activities				
Acquisition of property, plant & equipment	-533	-749	-980	-2,087
Acquisition of intangible assets	-4,241	-4,684	-17,969	-18,963
Cash flow from investing activities	-4,774	-5,433	-18,950	-21,050
Financing activities				
Premiums deposited on issuance of share warrants	-	113	-	113
Dividend paid to Parent Company shareholders	-	-	-	-77,579
Amortisation of lease liability and borrowings	-95,234	-6,466	-357,118	-22,888
Borrowings	-	80,000	-	200,000
Cash flow from financing activities	-95,234	73,647	-357,118	99,645
Cash flow for the period	23,264	139,741	2,477	100,501
Cash and cash equivalents at beginning of period	212,612	95,215	236,587	137,945
Exchange rate difference	3,240	1,631	51	-1,859
Cash and cash equivalents at end of period	239,115	236,587	239,115	236,587

Parent Company Income Statement

SEK 000	October- December 2020	October- December 2019	Full year 2020	Full year 2019
Operating income				
Net sales	2,507,786	2,819,850	9,479,243	10,040,044
Work performed by the company for its own use and capitalized	4,241	4,684	17,969	18,847
Other operating income	81	8,361	26,004	36,712
Total operating income	2,512,108	2,832,895	9,523,216	10,095,602
Operating costs				
Cost of consultants on assignment	-2,432,594	-2,718,060	-9,178,564	-9,677,102
Other external costs	-28,775	-44,947	-128,914	-145,425
Personnel costs	-39,218	-43,996	-160,267	-178,220
Depreciation, amortisation and impairment of property, plant & equipment and intangible non-current assets	-2,475	-1,736	-8,278	-6,755
Total operating costs	-2,503,062	-2,808,739	-9,476,023	-10,007,502
Earnings before interest and taxes	9,047	24,156	47,193	88,100
Profit/loss from financial items				
Dividends from participations in subsidiaries	22,845	27,406	22,845	27,406
Other interest income and similar items	255	-567	1,939	2,717
Interest expense and similar items	-5,077	-2,151	-15,870	-8,428
Profit after financial items	27,070	48,844	56,107	109,795
Tax	-899	-4,758	-7,213	-18,117
Profit for the period *	26,171	44,086	48,894	91,678

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

Parent Company Balance Sheet

SEK 000	31 December 2020	31 December 2019
Assets		
Non-current assets		
Intangible assets	57,416	46,355
Property, plant and equipment	2,629	3,998
Financial assets		
Other non-current receivables	94	633
Participations in Group companies	34,215	34,215
Total financial assets	34,309	34,848
Total non-current assets	94,354	85,201
Current assets		
Accounts receivable	2,218,477	2,786,334
Receivables from Group companies	141,559	146,910
Tax receivables	18,228	4,977
Other receivables	64	104
Prepaid expenses and accrued income	197,633	98,560
Cash and bank balances	67,074	162,112
Total current assets	2,643,035	3,198,997
Total assets	2,737,389	3,284,198
Equity and liabilities		
Equity		
Restricted equity		
Share capital (17,239,675 shares with par value of SEK 0.13)	2,241	2,241
Statutory reserve	6,355	6,355
Development fund	57,088	45,783
Total restricted equity	65,685	54,380
Non-restricted equity		
Share premium reserve	9,518	9,518
Retained earnings	66,764	-13,609
Profit for the period	48,894	91,678
Total non-restricted equity	125,176	87,587
Total equity	190,861	141,967
Current liabilities		
Liabilities to credit institutions	215,016	550,000
Accounts payable	2,221,241	2,531,241
Liabilities to Group companies	5,260	6,519
Other liabilities	14,613	24,076
Accrued expenses and deferred income	90,398	30,396
Total current liabilities	2,546,528	3,142,231
Total equity and liabilities	2,737,389	3,284,198

ACCOUNTING POLICIES

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

Ework recognises government grants in accordance with IAS 20. Receivables and revenue are recognised when there is reasonable assurance that the terms & conditions will be satisfied, and it is reasonably certain that the grant will be received.

Otherwise, the accounting policies and computation methods are unchanged compared to those applied in the annual accounts for 2019.

The carrying amounts of accounts receivable, other receivables, cash and cash equivalents, accounts payable, current interest-bearing liabilities and other liabilities are reasonable approximations of fair value.

The operations in Poland are reported in the Sweden segment.

Note 1 The Group's operating segments

Fourth quarter 2020 compared to the fourth quarter 2019

SEK 000	Sweden Oct-Dec		Finland Oct-Dec		Denmark Oct-Dec		Norway Oct-Dec		Total Oct-Dec	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from clients	2,611,686	2,915,728	96,355	136,061	143,013	110,544	386,454	380,692	3,237,508	3,543,025
Profit per segment	21,991	41,372	2,704	3,154	1,408	-797	3,625	8,102	29,729	51,831
Group-wide expenses	-9,837	-15,310	-643	-1,046	-611	-1,043	-1,488	-2,366	-12,579	-19,762
EBIT	12,155	26,062	2,061	2,107	798	-1,841	2,136	5,736	17,150	32,069
Net financial items	-	-	-	-	-	-	-	-	-2,937	-3,729
Profit/loss for the period before tax									14,213	28,340

January-December 2020 compared to January-December 2019

SEK 000	Sweden Jan-Dec		Finland Jan-Dec		Denmark Jan-Dec		Norway Jan-Dec		Total Jan-Dec	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Income from clients	9,886,471	10,357,883	419,404	524,473	495,958	438,357	1,436,033	1,300,591	12,237,865	12,621,305
Profit per segment	108,138	152,301	12,106	9,297	2,600	-2,787	28,203	22,697	151,048	181,509
Group-wide expenses	-44,267	-56,655	-2,721	-4,237	-2,568	-4,147	-7,182	-8,528	-56,738	-73,566
EBIT	63,871	95,646	9,385	5,061	33	-6,934	21,021	14,168	94,308	107,942
Net financial items	-	-	-	-	-	-	-	-	-9,386	-11,344
Profit/loss for the period before tax									84,924	96,599

DEFINITIONS

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

A number of metrics and key indicators appearing in

Interim Reports and the Annual Report are defined below. Most should be considered generally accepted, and of such nature that they could be expected to be presented in Interim Reports and the Annual Report to convey a view of the Group's results of operations, profitability and financial position.

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

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

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Financial calendar

Annual Report 2020	Early-April 2021
Interim Report, January-March 2021	28 April 2021
Interim Report, April-June 2021	16 July 2021
Interim Report, July-September 2021	20 October 2021

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