



EWORK 2018

Breaking  
the 11 billion  
sales level

+16%

Net sales grew  
by 16 per cent 2018

# Annual Report 2018



The gig economy is  
here to stay as we opt for  
freedom and flexibility

DIGITAL INVESTMENTS

This is how we develop  
our client offering

# Report

**SELF. SO FAR I HAVE  
NEVER HEARD A NO,"**

**MALIN FONDIN**  
DIRECTOR OF OPERATIONS  
EWORK

ework 2018

Breaking  
the 11 billion  
sales level

Stavanger, Poland,  
Sundsvall, Århus -  
new markets,  
new opportunities

The gig economy is  
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**MALIN FONDIN**  
DIRECTOR OF OPERATIONS  
ework





## Ework on site in Stavanger

A technical revolution is about to change our way of living, working and doing business. In a world facing increased competition requiring fewer permanent employees, Ework helps companies and consultants to achieve their full potential. Since 2018, Ework has had a presence in a number of new geographical areas. One of these is Stavanger, where Suzette Imrie works as Ework's Network Developer.

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Full version of the annual report 2018, go to [eworkgroup.com](http://eworkgroup.com)



# THE YEAR IN BRIEF

Sales rose by 16 per cent to 11.0 billion SEK,  
and operating profit totalled 106.5 MSEK.

## Full year 2018

### NET SALES

**+16 %**

Net sales grew by 16 per cent to 11,036 MSEK (9,503).

### OPERATING PROFIT

**106.5**  
MSEK

Operating profit for the period was 106.5 MSEK (106.3).

### EARNINGS PER SHARE

**4.58**  
SEK

Earnings per share after dilution were 4.58 SEK (4.65).

### ORDER INTAKE

**15,796**  
MSEK

Order intake for the full year totalled 15,796 MSEK (13,509), a rise of 17 per cent.

### NUMBER OF CONSULTANTS

**9,771**

The number of consultants on assignment was at most 9,771 (8,550).

### SWEDEN

**+20 %**

Sweden grew by 20 per cent and net sales rose by 1,505 MSEK.

### NORWAY

**+25 %**

Norway increased net sales by 25%, Finland by 2%, while Denmark sales saw a drop of 25%.

### 2018

The year was characterised by intensive work on long-term investments in business development.

### POSITION

Ework's position has been further enhanced in the year and the company remains positive about the long-term growth potential.

## The Market and Ework

Demand was strong during the year. The demand for consultants for new assignments grew across virtually all areas of competence in which Ework operates. Demand was high primarily in Sweden, Poland and Norway. The markets in Finland and Denmark were somewhat weaker. Ework assesses that the company's market shares in the consultancy market will continue to rise.

## Dividend

The Board of Directors proposes a dividend of 4.50 SEK per share (4.50).

## Outlook for 2019

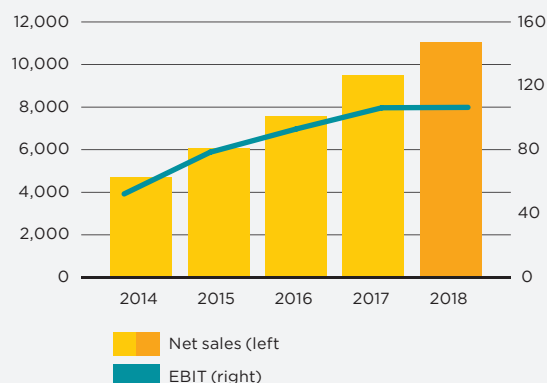
Ework assesses that the consultancy market will continue to grow in 2019, although in all likelihood at a slightly slower pace than in 2018.

In February 2016, Ework stated its ambition to achieve average annual sales growth of 20 per cent, and a rise in earnings per share of an average of 20 per cent per year for the years 2016 to 2020. In light of the profit trend in 2018, Ework is not expected to fully meet its financial target for earnings per share for the period 2016 to 2020. However, the ambition is to grow earnings per share by 20 per cent per year for the years 2019 and 2020. The goal for sales growth for the period 2016 to 2020 remains the same.

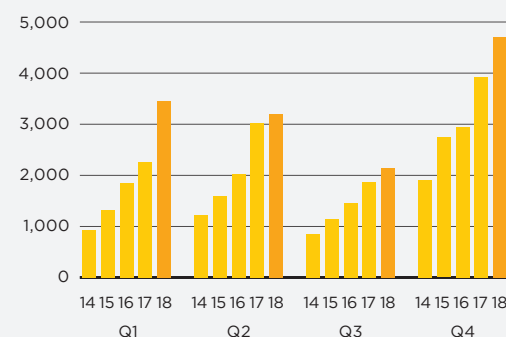
## 5-year development

Over the past five years, since 2013, average sales growth has come in at 24 per cent per year, and earnings per share have grown by an average of 20 per cent year on year.

Net sales and EBIT (SEK M)



Quarterly order intake (SEK M)



Key figures (MSEK unless otherwise stated)

	2018	2017
Net sales	11,036	9,503
Operating profit	106.5	106.3
Profit before tax	101.7	105.6
Profit after tax	78.9	80.1
Cash flow, operating activities	31.5	-129.4
Operating margin, %	1.0	1.1
Equity ratio, %	4.7	5.4
Earnings/share before dilution, SEK	4.58	4.65
Earnings/share after dilution, SEK	4.58	4.65
Maximum number of consultants on assignment	9,771	8,550
Average number of employees	297	246
Sales per employee	37.2	38.6

## Ework in 2018

9,186  
new requests



8,395  
new contracts



14,478  
extended contracts



22,873  
contracts - one every five minutes,  
on average throughout the year



14,301  
consultants on assignment  
during the year



38,445  
consultants on assignment  
since 2003



ZORAN COVIC  
CEO  
EWORK

**“THE BEST WAY OF CREATING VALUE FOR OUR CLIENTS IS TO DELIVER THE EXACT COMPETENCE THEY ARE LOOKING FOR, AT THE TIME, PLACE AND AS THEY ARE NEEDED. BY BEING CLOSE TO OUR CLIENTS, WE GET TO LEARN ABOUT THEIR BUSINESSES AND BECOME EVEN BETTER AT PREDICTING FUTURE NEEDS, AND AS A RESULT EXCEED THEIR EXPECTATIONS.”**

# RECORD BREAKING 11 BILLION - AND AN OFFERING WITH MORE CUTTING EDGE

A changed outlook on life in combination with new technology have influenced our approach to work. In five years, 45 per cent of the workforce is expected to be working in a freelance environment. At the same time, the demand for human know-how is increasing in combination with the introduction of advanced systems from companies and organisations that must be developed in order to be able to compete in this new, digitised society. This trend is continuing to promote Ework as a facilitator and link between the demand and supply of competence, and also serves as a driving force in the revamping of both the consultancy market and the view of the future labour market. In 2018, we passed the historic 10 billion SEK sales mark, and even topped 11 billion SEK. At the same time, our digital investments continue as we consolidate our market-leading position.

PHOTO: FOND&FOND

**Working in gigs. Remote.** Just a few years ago, these were concepts that very few people knew what they meant. Today, it is a description of how more and more people want to work - and also are able to. Growing up in an age of mobile phones, the Internet and personal computers, the millennium generation has helped to redefine both working life and the labour market. Their quest to take control of their own lives to achieve a better life balance has also spread to other generations.

At the same time, the demands on companies and organisations to exploit the opportunities being offered by new technology to bolster their competitiveness is increasing. This also boosts demand for competence. In other words, the search for skilled consultants is escalating in line with the digital transformation of society.

The trend towards a consultancy-based labour market has accelerated over recent years. And Ework has not only taken advantage of the potential, we have also played a major role in its development by listening to our clients and consultants and with an eye on the future continuously exploring new opportunities to improve the benefits for both groups. Over the past five years, the company has seen impressive growth from sales of just below 4 billion SEK to break through the 11 billion SEK level in 2018. At the same time, we have

established ourselves in new markets. These include Poland, where we now have three offices and a business enjoying exponential growth. We also opened new offices in Stavanger, Sundsvall and Århus during the year. These initiatives partly reflect our conviction to be there for our existing clients when they need us, and partly our ambition to take advantage of the potential in areas where there are organisations and businesses with pressing needs for competence. In Stavanger, this primarily concerns the oil and gas industry, and in Sundsvall and the area along the Norrland coast, it is the public sector and major industrial companies that are in focus.

**The past year** was also characterised by continued investments in new systems. We regard these as essential, not only to attract new clients and capture new market shares, but also to retain our existing clients and consolidate our market-leading position.

The investment can be broken down into three areas. The first is about the continued development of our consultant matching system, which is designed to make us even better at quickly identifying the best consultant for a particular assignment with enhanced search capacity, speed and functionality. The system and this →



**THE OVERALL OBJECT IS TO BUILD ON THE STRENGTH THAT EWORK HAS IN ITS KNOWLEDGE OF THE MARKET, ITS PERSONAL COMMITMENT AND ITS POSITION.**

**ZORAN COVIC**  
CEO  
EWORK

new way of working, which was implemented across all Ework offices in 2018, has resulted in us already enjoying a higher hit rate, that is, a higher proportion of completed transactions per request.

The second is that we are developing and streamlining our internal administrative flows. The major part of the work in this area has now been completed, and we expect to have finalised the project in the second half of 2019.

**The third area** for our ongoing digital investment is the development of our purchasing system, VMS (Vendor Management System), which will enable clients to develop processes for consultancy management. We have had a very positive response to the entry product to VMS, which is about digitised request management, called RDS (Request Distribution System). As part of this initiative, we have also developed our consultancy portal in which consultants get to be privy to the assignments that best suits them in a simpler way, and where they gain access to additional services to facilitate their administration work. The fruitful launch of our digital services for both clients and consultants is a contributing factor to why I feel positive about our growth potential over the coming years.

The best way of creating value for our clients is to deliver the exact competencies they are looking for, at the time, place and in the way they are needed. By being close to our clients, we get to learn about their businesses and become even better at predicting future needs, and as a result exceed their expectations. Our new digital systems allow us to further streamline this process. By being independent, we enjoy the freedom to work with the entire market and are able to select the absolute best consultant for each assignment.

**The futureproofing of Ework** is also about the strengthening of the organisation that we implemented in 2018 as a way of increasing focus on sales. The overall object is to build on the strength that Ework has in its knowledge of the market, its personal commitment and its position.

The potential is huge, as even in the markets where we hold a leading position, our market share is rela-

tively small. In Sweden, which is incomparably our largest market, we continued to grow in 2018, as we did in Norway, where we saw new successes in, for example, the public sector, and likewise in Poland. However, growth was not as positive in Denmark and Finland, where we continued to be adversely affected by extensive downsizing by a major client.

We have had many confirmations in recent years that demonstrate that our working methods are appreciated. The most important factor, of course, is that our assignments are becoming more and more extensive. Another is that, in 2018, Ework once again received the Gazelle company distinction, the Dagens Industri financial newspaper's annual prestige award for companies that generate long-term growth and good profitability. For me personally, perhaps the confirmation that I most appreciate is that several large clients have not only continued to employ us over the year, but that they also wanted to develop their partnership with us, for example with our digital services.

**In summary, in 2018** we worked on improving the client and consultant offering through digital services, we continued the digitalisation of our delivery model and we strengthened the organisation by enhancing our sales focus. The new strategic software services provide long-term added value for our clients and generate excellent potential for Ework for the future. Although this has meant greater investments than we expected over the last two years, we are convinced that it is these investments that generate clear added value for our clients going forward.

I would like to thank our clients, consultants, employees and shareholders for their contribution in our development towards becoming the leading company in Northern Europe, a key player in the ongoing transformation in the future of the supply of competence and how 'professionals engage'.



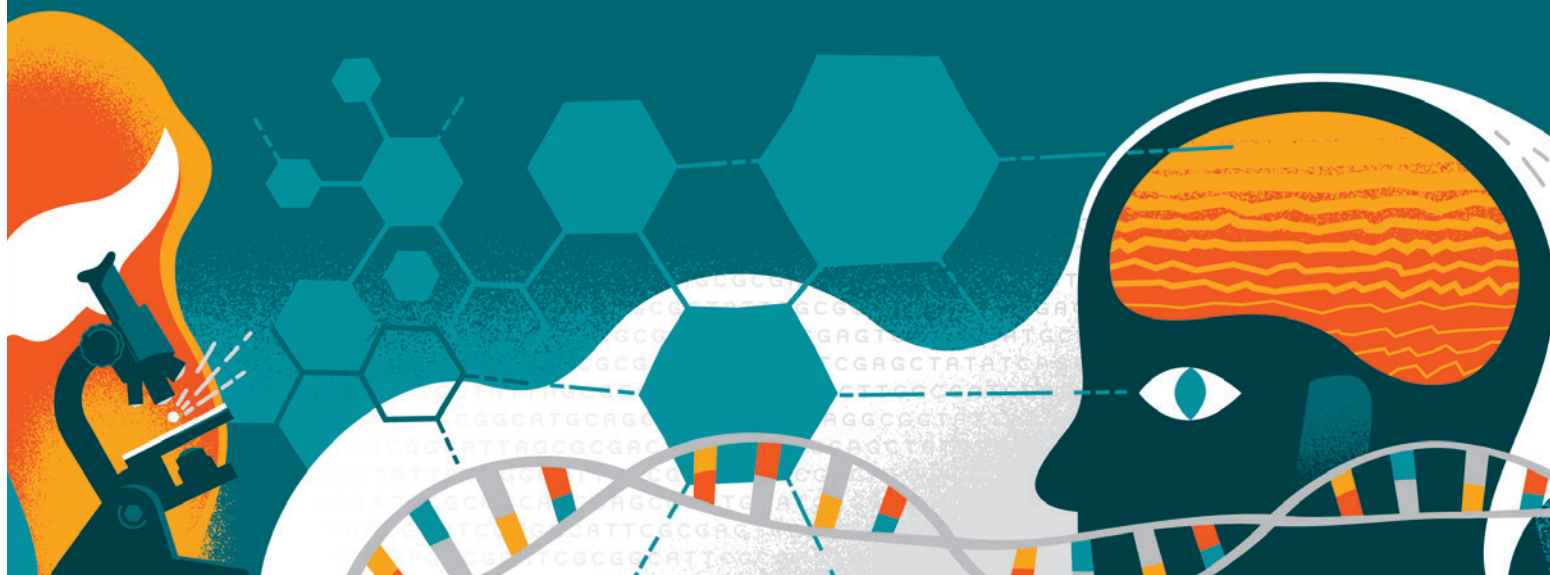
**Zoran Covic, VD**

EWORK SETS A NEW BUSINESS STANDARD:

# EXPERTS AT SUPPLYING COMPETENCE

ILLUSTRATION: GUSTAF ÖHRNELL HJALMARS/AGENT MOLLY & CO

Ework is a specialist on quickly finding the right consultant for every assignment - and the right solution for the consultancy need of every client. We act as procurement department of consultancy services, manage consultants without frame agreements, appoint individual consultants and deliver consultant management systems. And we follow our clients to new geographical areas. Our main strengths include our independence and the fact that we don't employ any consultants. This means that we can choose freely among our enormous network of consultants and match person and project based on a combination of knowledge, skills, ability and motivation. At the same time, we set a business standard for price and quality.





# RESHAPING CONSULTING

This is our promise to the market. Our promise to our clients, to the investors and the consultants. And our promise to ourselves. We ignite and reshape businesses with our attitude (values) and our great offering (capabilities).

## Our vision

Reshaping the way professionals engage.

## Our mission

Every day we challenge industry standards, silent truths and human beliefs. We ignite individuals and organisations to reach their full potential.

## And our values

Eager. Professional. Alert.

## Our business model

To be independent and have no employed consultants. The selection is done from a network where practically all the consultants on the market are included. We match the skill level of each consultant with the project based on the combination of knowledge, skills, abilities and motivational factors.



# OUR CORNER-STONES

Our services, experiences, processes and systems can be boiled down to four competencies that you gain access to when you work with us.



## Indexed

We know the market price

We set the price index for our clients and consultants. Having a leading and independent market position means that we are always up to speed in terms of the prevailing market conditions, which provides us and our clients with an insight into the trends and movements in the consultancy market.



## Matched

We have an independent matching process

Using the Matched by Ework process allows us to identify consultants who perform better, while reducing any risk of discrimination. Our selection method, which involves using cognitive and personal assessment tools, provides our clients with a solid foundation on which to base their consultant choices.



## Tailored

We offer solutions to match your unique challenges and needs

All of our services are bespoke. We offer flexible solutions covering all bases, from industry-leading companies to small-scale businesses, at both a local and global level. We build close working relationships with our clients. Our solutions could, for example, involve putting together a dedicated team for the assignment that works on site at the client or expanding our business into new geographical areas, all designed to satisfy the needs of our clients.



## Solid

There is a reason why we are industry leaders

We have earned the trust that we get. We continue to develop our business model in close cooperation with both clients and consultants. If you want to be trusted as a business partner, you need firmly rooted experience. Put simply - it works.





# OFFERINGS TO SUIT DIFFERENT NEEDS

Based on our cornerstones, we operate as a purchasing department for consultancy services, manage consultants without framework agreements, appoint individual consultants and deliver systems for consulting management.



## Competence supply

Matching is the key to identifying the right competence at the right price for each assignment. As the needs of our clients for consultants grow, we can offer a comprehensive solution for consultants who work without framework agreements. In this way, we can assume total responsibility for managing all of the consultants alongside the suppliers who have their own framework agreements.

- SUPPLY
- PRIME VENDOR
- MASTER VENDOR



## Platform services

Our digital offerings respond to the future consultancy market by specialising on areas such as digital platforms, mobility and artificial intelligence. For clients, we offer systems for publishing their requests and receiving quotes (RDS), while for consultants we have automatic tools to view, search and administer consultancy assignments.

- RDS [Request Distribution System]
- VMS [Vendor Management System]
- SUPPLIER PORTAL



## Procurement services

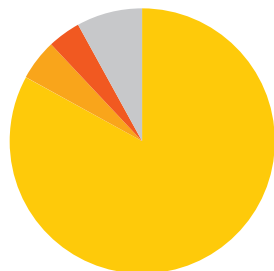
We act as a purchasing unit for all, or parts of, the consultant needs of our clients. Our dedicated on-site teams support our clients with everything from strategy to operational tasks. This allows our clients to be in control of their overall costs. It also provides transparency and an efficient consultant management process.

- MSP [Managed Service Provider]
- CONTINGENT WORKFORCE
- SOW [Statement of Work]
- ADVISORY SERVICES



# BRIEF FACTS

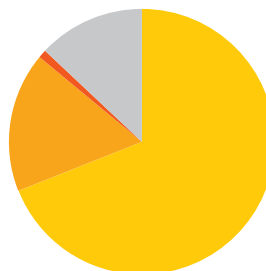
Distribution of sales by region as a percentage of net sales



- Sweden 82.6 %
- Finland 4.9 %
- Denmark 4.4 %
- Norway 8.2 %

Poland is reported as part of Sweden

Number of requests per area of expertise

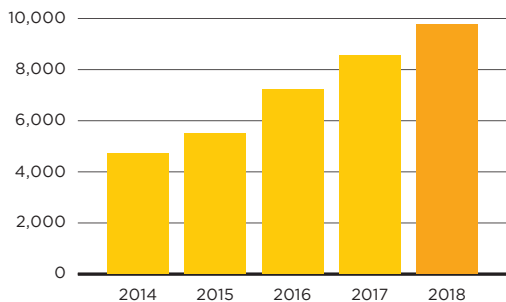


- IT 69.3 %
- Technology and engineering 17.6 %
- Industry and logistics 0.4 %
- Business and services 12.7 %

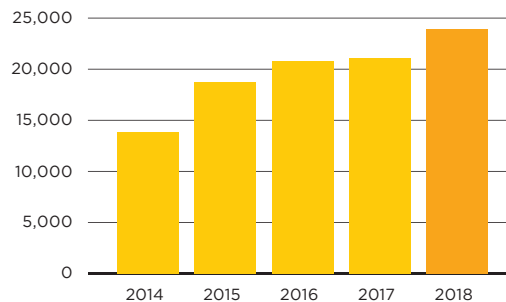
# 11,036

In 2018, we passed the historic 10 billion SEK sales mark, and even topped 11 billion SEK.

Consultants on assignment 2014-2018



Number of newly registered consultants 2014-2018



# NEW MARKETS

NEW OFFICES • NEW OFFICES • NEW OFFICES • NEW OFFICES • NEW OFFICES • NEW OFFICES • NEW OFFICES • NEW OFFICES • NEW OFFICES • NEW OFFICES

- STAVANGER
- SUNDSVALL
- GDYNIA
- WROCLAW
- AARHUS





A technical revolution is about to change our way of living, working and doing business. In a world facing increased competition requiring fewer permanent employees, Ework helps companies and consultants to achieve their full potential. In order to succeed, Ework is committed at being near-at-hand to its clients. The motivation is to get to know their needs. Understand their challenges. And help them fulfil their potential.



# NEW OPPORTUNITIES



The year saw Ework open offices in Stavanger, Århus and Sundsvall, while continuing its expansion with Gdynia and Wrocław in Poland. Although these locations may seem different in terms of their focus on industry and businesses, they have one crucial thing in common; they are characterised by a growing business community that is currently witnessing a digital transformation. And Ework is there to respond to the needs for competence.



**MIKAEL SUBOTOWICZ**  
MANAGING DIRECTOR,  
EWORK, POLAND

# SYMBIOSIS KEY TO SUCCESS IN POLAND



More than 350 consultants on assignment. Three offices. A client list that includes many of the Nordic region's foremost companies in industry and finance, as well as a growing number of Polish companies.

PHOTO: PRZEMYSŁAW JASINSKI

**Since its inception in 2015**, Ework has rapidly succeeded in positioning itself as an attractive player in the Polish consultancy market. "Part of our success is based on the fact that we are perceived as a Polish company in Poland, but that is run in a Scandinavian way and adopting a Scandinavian corporate culture", says Mikael Subotowicz, Ework's Managing Director in Poland. He himself

personifies this successful symbiosis through his background of having one foot in both cultures.

Poland has developed into the choice country of many international corporations for nearshoring. And for companies that want to streamline their IT operations, Poland is seen as an appealing location. With an impressive 15,000 new IT engineers graduating annually from top level technical engineering universities, the country has become a leading IT hub that offers some of the best resources in Europe.

"Previously, it was about bringing down costs, but now it's about having access to the best competence," Mikael Subotowicz explains. The business concept of Ework is to offer companies and organisations the exact competence they need, when and where they are needed. And when several major clients started requesting the company's services in Poland, it seemed like a natural step to open an office in Warsaw as the first non-Nordic establishment.

## TWO NEW OFFICES

Ework has expanded rapidly in Poland ever since. Two new offices have been opened; one located in the port city of Gdynia, which together with Gdansk and Sopot represents one of Poland's most dynamic and fast-growing metropolitan areas. The other is based in Wrocław, which is known as the Polish equivalent of Silicon Valley boasting many major, international high tech companies in telecom and other sectors, and home to several leading universities focusing on technology and IT. These are also some of the reasons why so many skilled software engineers and



IT professionals can be found in Wrocław.

“We have secured several new, international companies as clients. As Poland is part of the EU, information can be freely exchanged with other EU countries. Our common European, cultural background makes it easy for people from Poland and the Nordic countries to work together. All of this provides us with great scalability and flexibility, which makes it relatively easy for companies to outsource their IT operations to Poland,” says Mikael Subotowicz.

“At the same time, interest in our services is growing from Polish companies. With a population of 39 million, and an IT sector growing at a rate of 5-10 percent per year, the domestic Polish market represents an attractive business opportunity for us,” he continues.

#### **HIGH AMBITION**

The ambition for our Polish business is high. Mikael Subotowicz hopes that Ework will have 1,000 consultants on site in Poland within a couple of years, compared to today’s 350. “One of the principal challenges to achieving this goal,” he says, “is that competition for talented consultants is growing as more and more companies establish operations in the country.”

“But we have a few strong trump cards up our sleeves in the form of a dynamic corporate culture with motivated colleagues, stimulating assignments, the opportunity for further education and a Scandinavian style non-hierarchical organisation. There are many consultants who appreciate the opportunity that we offer of working both remote, or in other countries,” says Mikael Subotowicz. ☺



**BARTEK KWIATKOWSKI**  
SDC, POLAND

SDC IN POLAND:

## **“THE CANDIDATES FROM EWORK ARE ALWAYS SPOT-ON”**

“The candidates we get from Ework are always spot-on. Ework is responsive to our needs, which saves us a lot of time in our selection process,” says Bartek Kwiatkowski, responsible for allocating consultants in Poland for SDC, formerly Sparekassernes Datacentraler. SDC is a common digital banking solution servicing over 120 Nordic banks and financial institutions. It is also the largest client to date for Ework in Poland. →



**NOW THAT I AM BACK IN MY HOME COUNTRY WITH A FRESH PAIR OF EYES, I CAN CLEARLY SEE THE HIGH QUALITY OF TECHNICAL EDUCATION HERE IN POLAND.**

**BARTEK KWIATKOWSKI**  
SDC, POLAND

“The client team at Ework with Natalia Leszczynska-Kloczko at the helm, is skilled at understanding our needs and hand picking the appropriate profiles. Many of our assignments are long-term by nature and require teamwork, which is why it is also vital to have social skills,” says Bartek Kwiatkowski, responsible for appointing consultants for SDC in Poland.

From mobile banking services for vision-impaired users to payments via Fitbit or the Garmin watch. The rapid expansion of SDC in terms of development of financial services for the Danish, Norwegian, Swedish, Faroese and Finish money institutions that are on the client list is taking place at breakneck speed. SDC offers a unique system platform that can handle currency, a range of languages and legal requirements in multiple countries.

The work on developing the new services and functionalities is being undertaken partly in Denmark and partly in Poland, where all nearshore development has been run since 2014. The office in Warsaw accounts for about one third of SDC’s overall development capacity.

“There are skilled technical consultants here, and it is easy to get here quickly from Denmark. This means that the benefits of having such a major portion of our development based here are many,” Bartek Kwiatkowski explains.

**“SKILFUL AT IDENTIFYING CUTTING EDGE COMPETENCE”**

The collaboration with Ework was initiated in the summer of 2015. Today, Ework provides consultants to SDC in Poland, Denmark and Sweden.

“Assuming we would get about ten candidates applying for each position, and as we are developing rapidly and need a lot of project-based competence, it would take a lot of time to go through and screen all of these candidates. With Ework help, now we get four or five, and all are relevant,” says Bartek Kwiatkowski.

“Ework is proficient at identifying exactly the cutting edge competence we are looking for, wherever this may be. In addition to Poland, we currently also have consultants from Italy, Spain and Brazil,” he continues.

Bartek Kwiatkowski explains that SDC’s operations in Poland really took off in 2016, the year after he returned to Poland and the work for SDC after a long stint in the UK. Since then, the collaboration with Ework has been developed and advanced.

“The client team at Ework is skilled at understanding our needs and hand picking the appropriate profiles. Many of our assignments are long-term by nature and require teamwork, which is why it is also vital to have social skills,”

“Now that I am back in my home country with a fresh pair of eyes, I can clearly see the high quality of technical education here in Poland. I have personally studied at one of the technical universities in Warsaw, and I am now trying to inspire my sons to do the same,” says Bartek Kwiatkowski. ☺





SUZETTE IMRIE  
NETWORK DEVELOPER  
EWORK, NORWAY

## ework GAINS NEW GROUND IN STAVANGER

When Ework decided to revamp its operations in Norway in 2015, the team in Oslo put together a list of potential dream clients. The list included several large authorities, banks and finance companies. Many of these are now clients of Ework, which has developed strongly in the Norwegian market, having now secured a leading position as a supplier of consultants to the public sector, among other things. After achieving major progress with this work in Oslo, Ework is now taking the next step in the Norwegian market, opening an office in Stavanger. →



**In April 2018**, Ework opened offices in the Norwegian, internationally renowned oil capital of Stavanger. The aim was to offer services to the oil and gas industry, which after a few years of acid testing has made a strong come back. High production costs combined with falling oil prices have precipitated efficiency improvements, where digitisation and new technology play a key role. Together with cost savings and increased production, which has been facilitated by new methods for extraction, this is expected to expedite lower oil prices in the long term, with the oil companies enjoying continued profitability. This in turn increases demand for skilled IT consultants.

“The crisis in the oil sector has hastened innovations in the industry. It has partly been necessary to reduce costs, but it has also been made possible through the rapid development of technology. This has led to everything from more efficient exploration methods to improved safety on the platforms. Our objective is to establish extensive business operations here, where we can offer a range of competencies, in addition to IT consultants also for example geologists and engineers,” says Jimmie Carling, Head of Ework’s Norwegian operations.

**AREA WITH POTENTIAL BEYOND THE OIL INDUSTRY**

Stavanger is located in an area with potential beyond the oil and gas industry. Bergen is situated to the north of Stavanger, and in both of these cities the redundancies in the oil industry in recent years have led to a boom of new, innovative company start-ups. Off shore technology is used today for everything from fish farms to breaking metals under the seabed and constructing wind farms. The major Norwegian banks are also represented here, along with a number of authorities, an area where Ework has secured a strong position in the Norwegian market. Ework’s client list already

**“THE OIL INDUSTRY IS ON THE CUSP OF BEING DIGITISED, WHICH IS INCREASING THE DEMAND FOR IT SKILLS. THIS FAVOURS EWORK”**

**LENE KAADA**  
SOURCING PARTNER  
EWORK, NORWAY







**BIRGITTE MEHUS LANGHOLM**  
SOURCING PARTNER  
EWORK, NORWAY

**“WE ARE A TIGHT TEAM, WHERE EVERYONE HAS A PAST IN THE OIL INDUSTRY. IT IS VITAL TO BOTH UNDERSTAND THE INDUSTRY AND HAVE CONTACTS TO GET A FOOT IN THE DOOR OF THIS RELATIVELY CONSERVATIVE WORLD”**

includes a number of clients from both the private and public sectors, such as Tollvesenet - the Norwegian Customs Service, NAV - the Norwegian Public Employment Service, the social insurance office and the social office, Skatteetaten - the Norwegian Tax Administration, Lånekassen - the Norwegian State Educational Loan Fund, Statens vegvesen - the Norwegian Public Roads Administration and Hinas, which is the Norwegian healthcare organisations' central purchasing function. The oil crisis accelerated investment in the public sector in the country. One element of this initiative includes, among others, an ambitious digitisation program with the aim of placing Norway at the forefront internationally in terms of digital administration.

“Our goal is to become a key player in the field of oil and gas. But as the industry is still conservative in some areas, such as the way people stick to old relationships, it takes time to work your way in,” says Jimmie Carling.

**CONTACT NETWORK ESSENTIAL IN THE INDUSTRY**

The importance of being known

and having doors of entry into the industry is one of the reasons why all members of Ework's new team in Stavanger have a background in the oil and gas industry. Their new workplace can be found in a compact, yet charming office on the third floor of an old seamen's house in the port. One of these is Suzette Imrie, who has been working as Ework's Network Developer in the area since June 2018. After working with resource management and HR at Aker Solutions in Stavanger for ten years, she has accumulated both contacts and experience.

“Naturally, we approach the major companies and organisations that are here, but we also contact the small, fast-growing niche companies that need the type of specialist competence that we are good at identifying,” she says.

“I truly believe in the Ework concept. I have worked for many years with resource management and based on this, I find that it is a process that is difficult to say no to. But it is both about introducing a new way of working and making ourselves known throughout the industry. For this reason, we are now working intensively on everything from attending trade fairs, which is the industry's way of interfacing, to arranging seminars.”

Her colleague Geir Andersen, who has been working with sales for Ework in Stavanger since November 2018 - and who is the most recent employee at the office - agrees fully with her. He has also worked for ten years in the oil and gas sector.

“Everyone in the industry here knows each other. So far, Ework is unknown here. But the jungle telegraph works quickly. This means that we can grow rapidly, providing we do a good job, and we will make sure we do exactly that,” he says. ☺

“So far, Ework is unknown here. But the jungle telegraph works quickly. This means that we can grow rapidly, providing we do a good job, and we will make sure we do exactly that,” says Geir Andersen who has been working with Sales at Ework in Stavanger since November 2018.



# Tricity

**Tricity is a** metropolitan area located on the Baltic coast in the Polish province of Pomerania with a population of over 800,000. It is one of the country's most attractive areas for both business and vacation. It is made up of three cities located next to each other: Gdansk, Gdynia and Sopot. Tricity has undergone huge development over recent years and has attracted hundreds of outsourcing centres. Centres for IT, R&D, food industry and finance are also represented in abundance in the area. In addition, Tricity has grown into a hub for Scandinavian companies, including Nordea, which has its Polish head office in Gdynia, Ericsson, ABAX and Schibsted. The area is also a centre for higher education and today some 90,000 young people study at the 20 universities situated there. ☺



## Developing the consultancy market in the north

**“We want to be** involved in developing the consultancy market here”, says David Thelin, regional manager of Ework’s office in Sundsvall, which opened in 2018. “We see exciting potential here, not least because of the results of Sundsvall municipality’s intensive work on promoting the development of the business sector and its digitisation,” he continues. The goal is to have 200 consultants on assignment in 2020.

Ework’s new office in Sundsvall is responsible for Sweden’s northern coast, from Hudiksvall in the south to Luleå in the north. The operations are focused on different types of clients, not least the major industrial companies that are represented here, but so far, assignments from the public sector dominate.

“We are witnessing exciting development in this region. Sundsvall

Municipality has won several awards for its work on developing businesses with the help of IT. The Agency for Digital Government (Myndigheten for Digital Förvaltning) is now being established here, which is expected to put extra focus on the future and on development in the region”, says David Thelin.

But the potential is considered to be positive in the industrial sector too. Most industrial companies in the region are currently undergoing a process of change aimed at improving competitiveness where digitisation is a vital tool.

“This increases the demand for skilled consultants with cutting-edge competence across a range of areas,” says David Thelin.

Ework is currently the only independent consultancy provider operating in the area, which is both an asset and a challenge,” according

to David Thelin.

“One of our main success factors is the fact that we are independent. This provides us with the freedom of working with the entire market and means we are able to select the very best consultant for each assignment. We are also good at quickly identifying the best competence for the assignment from our extensive network, whether this is locally or elsewhere across the world,” says David Thelin.

“But at the same time, the consultancy market here is traditional and conservative, so it takes time getting the brand established,” he continues.

To reach the target of 200 consultants on assignment by 2020, the Sundsvall office is planning a host of marketing activities in 2019.

“It will be an intensive and exciting year,” says David Thelin. ☺

SUNDSVALL



# Ework aiming for wind in their sails in Aarhus

## IT, wind power and food.

These are some of the sectors that are included in the client list for Ework's newly opened offices in Århus in Jutland in Denmark. The goal is to become the preferred consultancy supplier for the largest companies in the region.

Ework opened its office in Århus in early 2018. The purpose was to be geographically close to Ework's existing Danish clients based in Jutland. In addition, some of Denmark's leading companies, including the largest manufacturing industries and telecom companies, have their headquarters based here.

Ework had about 60 consultants on site serving clients in IT, wind power and food at the beginning of 2019.

"We believe that the potential here is enormous. One reason is the huge number of consultants that are engaged here. Another is the constantly increased focus on regulatory compliance and control. Our plan is to become the preferred supplier of consultants and associated services to the largest companies in Jutland," says Mads Christensen, regional manager for Ework in Jutland. ☺



## GETTING PAID IN YOUR LOCAL CURRENCY - WHEREVER YOU MAY BE

### Consultants working through

Ework can receive payment in a currency of their choice. Ework's currency service is aimed at consultants who work outside their home country and who are tired of losing out on exchange rates and high fees, and who may also be concerned about fluctuating

exchange rates over the course of their assignment. The service guarantees a fixed monthly cost for any currency for the entire assignment. Ework calculates a fee based on the selected currency, the actual exchange rate and the contract terms that apply to the individual assignment.

## COMPARISON OF COMPETENCE NEEDS 2018 COMPARED TO 2022

### 2018

- 1) Analytical thinking and innovation
- 2) Solving complex problems
- 3) Critical thinking and analysis
- 4) Active learning and strategy for learning
- 5) Creativity, originality and the ability to show initiative
- 6) Accuracy with details, reliability
- 7) Emotional intelligence
- 8) The ability to reason, solve problems and think independently
- 9) Leadership and social impact
- 10) Ability to coordinate and utilise your time

### UPWARD TRENDS FOR 2022

- 1) Analytical thinking and innovation
- 2) Active learning and strategy for learning
- 3) Creativity, originality and the ability to show initiative
- 4) Technology design and programming
- 5) Critical thinking and analysis
- 6) Ability to solve complex problems
- 7) Leadership and social impact
- 8) Emotional intelligence
- 9) The ability to reason, solve problems and think independently
- 10) Analysis and evaluation of systems

Source: a 2018 study of the future labour market, World Economic Forum.



# READY TO EXPERIMENT

“Having the wrong people in your business, even consultants, can be expensive for the company. Consequently, I view wise investments in technical solutions to evaluate competence, regardless of whether it is about matching or testing tools, as a crucial aid,” says Sarah Willis Carlsson, senior advisor at the Connected Car and User Experience (CCUX) at CEVT, an innovation centre for the Geely Group in Gothenburg.

**SARAH WILLIS CARLSSON**  
SENIOR ADVISOR,  
CONNECTED CAR AND USER  
EXPERIENCE, CEVT



**Technical development** means that companies are demanding ever quicker access to the right competence in order to be able to develop at the pace required to maintain their competitiveness. At the same time, more and more people are beginning to realise that a CV is a blunt instrument when evaluating a candidate for an assignment that may impose great demands on social ability, for example, and to work quickly under pressure or to have a developed strategic ability. This has brought about the rapid development of digital tools for personality assessments in the recruitment process, an area in which Ework has been a pioneer in consultant matching.

One company that has understood the benefit of using technology when it comes to recruitment is CEVT, China Euro Vehicle Technology AB, a technical research and development company owned by Chinese Geely Automobile. Sarah Willis Carlsson, who works with the development of new technology, feels that several factors play a significantly more important role than a person's education and experience. By way of example, she mentions 'soft skills' such as the ability to fit into the organisation and perform in a given context, which she says is crucial for success.

**“We have the great** luxury of growing, and in connection with this growth we have the opportunity to identify gaps and try to find the right people to fill them. Some of it is about competence, such as education and experience, but once we have applied the competence filter, we then look at 'soft skills', and if it is the right role for that particular person, and if he or she displays a passionate attitude to their work,” says Sarah Willis Carlsson.

To describe the best way of managing recruitment in a digital age, she uses the term 'agility'.

“Agility is a buzzword right now. We must be ready to experiment, try new methods and approaches in order to identify the talent we need. We face a struggle with a growing shortage, because we not only need specialists who understand complex technologies, but who can also work well in a team.”

**Sarah Willis Carlsson** highlights the change in view of recruitment that started around ten years ago, a time when specialists were much more limited in their relevant areas of expertise, but where they are now expected to be much more agile in their roles. This means that recruitment today is more and more about digging deep into personalities in order to be able to determine whether the candidate has the right overall competence.

“We previously had mechanical engineers, electrical engineers and software engineers who were experts in their particular fields. We also had system engineers who kept everything together across competencies. We are now seeing that more and more tasks require that team members communicate directly with each other, and that they themselves assume the role of the system engineers, as the challenges are more complex than an individual can manage alone,” she says. ☺

**Facts**

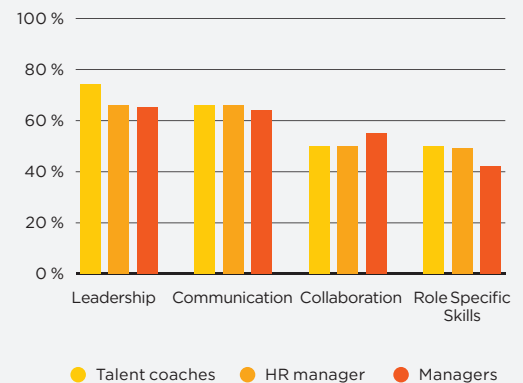
Ework has been working on developing a digital tool for measuring, among other things, social skills since 2016. The aim is to become even better at identifying the right candidate for the assignment by marrying competence with assignments in an independent, transparent and non-discriminatory manner, which includes using decoded CVs and mathematical algorithms.

## The labour market agrees, training in social skills at the top of the priority list

Competence coaches, managers and HR managers all agree that training in social skills tops the list of priorities for teams that work with talent development.



What are the most important skills for employees to learn from the L&D programme (Learning and Development)?



Source: <https://learning.linkedin.com/resources/workplace-learning-report-2018>

**MAGNUS KARLSSON**  
CONSULTANT,  
STAVANGER.

# THE SWEDE WHO IS PART OF EQUINOR'S JOURNEY TOWARDS DIGITAL LEADERSHIP



Footnote: Magnus Karlsson has been hired by Ework from Computas, one of the leading IT consultancy companies in Norway, with core competence within systems development, architecture and integration, while many of the assignments are undertaken in the public sector.

**It was love** that first brought software developer and Dotnet specialist Magnus Karlsson to Stavanger, but it is the consultant assignment at Equinor through Ework that has kept him there. The job consists of contributing to Equinor's journey towards the goal of becoming a digital leader in the oil and gas industry. "It is a stimulating assignment where I get to apply my knowledge in the area, while learning new things in a creative team," he comments.

Having grown up in Södertälje and with a master's degree in electrical engineering, the step may seem far to Stavanger and a consultant assignment that is based on making information more efficient and available by storing it in the cloud. But Magnus Karlsson says that although it may be by chance that he is now working in this special discipline, his interest in technology has always been

extensive, and his curiosity in new situations boundless.

"When I was ten, my mother asked me what I wanted to be. I immediately pointed to the remote control for the TV and said that I wanted to develop those," he says and laughs.

The dream of developing remote controls has now evolved into becoming a cog in the wheel of Equinor's ambitious digitisation plans. Equinor, formerly Statoil, is not only one of the Nordic region's largest companies, it has also announced ambitious plans to become a leader in the development of digital services. A seven-year cooperation agreement with Microsoft was made public in 2018, designed to accelerate the development of specific services for the energy industry, including a more rapid transition to cloud services.

"The rapid development of technology is generating new opportu-

nities, and it is gratifying to be able to help companies and organisations utilize these opportunities as a way of ensuring a more efficient and a more competitive business," says Magnus Karlsson.

"It suits me perfectly to work as a consultant as I can apply the knowledge I have built up in software and Dotnet development since I graduated ten years ago, while constantly learning about new things and new business sectors," he continues.

And despite the fact that Magnus Karlsson's principal reason for moving to Stavanger is no longer in the picture, i.e. the girlfriend, he is thriving in his adopted city.

"Stavanger has an international character with all the foreign companies based here, and a good selection of restaurants and nightlife, while the natural environment is fantastic and there is a wealth of opportunities for outdoor activities. I appreciate this," he says. ☺



# GIG ECONOMY IS GROWING IN LINE WITH TECHNICAL DEVELOPMENTS

The gig economy, where permanent employment is replaced by temporary 'gig' employment, represents the future labour market. Most analysts agree with this. Within five years, 45 per cent of the workforce is expected to be working as freelancers and two-thirds of all managers will be allocating assignments on-line.



# B

**Behind the gig economy** there are three clear driving forces; the digital technology that makes it all possible, the fact that companies need to be more flexible in terms of competence and a changed attitude by employees. The need for flexibility is also driven by a change in client behaviours.

The gig economy is a natural consequence of the rapid development of technology coupled with the increasing need for specialist competence and niche consultants. The consultant-based workforce has therefore emerged as a growing part of the Swedish economy. The gig economy and technology development are inherently linked

with each other. Technology has enabled the gig economy and has made it difficult for modern societies to imagine a future driven by technology without consultants working in a gig environment. The way we live has changed. Many of us use our mobile phones, tablets and computers to manage our lives and there are no signs that this behaviour is on the wane. On the contrary, many people are of the opinion that this is just the beginning of how we will be living our lives in the future.

We have become strongly interconnected to social networks across the world. Over the past decade, this has led to a shift in how we work and spend our money. 'Online' is now where we find 'gigs', plan our time and buy our groceries. Technology has made us digital and changed the way we look at work and how it should be conducted. It has also changed the way companies view their need for resources, which means companies need to make themselves attractive



through innovative job offers and programmes.

## **SOCIAL ABILITY VITAL IN THE FACE OF CHANGING COMPETENCE NEEDS**

The way we work is also impacted by demographic changes, such as population growth and changing age profiles across the world's population, the rapid rate of urbanisation and the distribution of financial resources (*PWC's Global Megatrends*).

Within five years, 45 per cent of the workforce is expected to be working as freelancers and two-thirds of all managers will be allocating assignments on-line (*IDC, Strategy Analytic*). Despite the fact that a growing percentage of future work tasks is expected to be automated, this does not mean that the need for competence will decrease. Automation and AI, on the other hand, will accelerate the shift of competence that the labour force needs to undergo. The need for social, emotional and technological competencies is expected to double by 2030, (*European Union Labour Force survey, McKinsey & Company Workforce skills Model & Global Institute analysis*), while the need for physical and manual labour is dropping.

## **THE INDIVIDUAL IS NOW RESPONSIBLE FOR LIFELONG**

The future labour market will have an impact on all generations due to the fact that we have never before had so many generations competing for assignments at the same time in the market. The challenge for many companies is that they risk losing their competence base, which means that valuable indi-



**WITHIN FIVE YEARS, 45 PER CENT OF THE WORKFORCE IS EXPECTED TO BE WORKING AS FREELANCERS AND TWO-THIRDS OF ALL MANAGERS WILL BE ALLOCATING ASSIGNMENTS ON-LINE.**

IDC, STRATEGY ANALYTIC

viduals who excel at their work can call the shots and dictate over their work situation. This has often resulted in a compromise between the companies and the individuals, where in many cases, instead of working for the company, they do business together.

The challenge for the individual, on the other hand, is that they are now responsible for something that the company has previously been in charge of, i.e. competence development. But in the gig economy and the future labour market, it is the individual who will be responsible for lifelong learning. It is you as an individual who has the basic obligation to ensure that you have the right competence, experience and capacity to represent that you are of value to the companies (World Economic Forum).

**THE GIG ECONOMY REQUIRES FLEXIBILITY, COMPETENCE AND SPEED**

In summary, the gig economy will require flexibility, competence and speed. The companies will value the opportunity for innovation, as costs and working conditions will look similar across the world. We will see similar trends across all sectors, but in different forms of maturity (*Toptal, Adecco, Deloitte - Global Human Capital Trends 2018*). ☺



Hans Werner, CEO, Radar.

**“Growing need for consultants as IT is revamped”**

“Seven trends currently fundamentally affecting the IT sector’s ecosystems;

1. industrialisation of IT
2. ground-breaking technology
3. business-funded IT
4. digitisation and digital transformation
5. price changes
6. new types of players
7. cyber security”.

The view from the fact-based provider Radar’s CEO Hans Werner.

In the opinion of Hans Werner, these seven trends are the most revolutionary in the IT industry that Radar has so far registered. “Companies need to quickly adapt to meet these trends by differentiating themselves in a range of ways, such as through innovation, proximity, specialisation and verticalisation.”

“These trends and state of the IT market will dictate an increased need for consultants. New regulations will also drive the need for more competence, not only in the IT sector, but also in the financial sector,” he says.

GDPR and data security have also had a significant impact over the past year and the need for consultants in this field is expected to continue.

“The absence of competence in certain areas, such as experienced architects, project managers and security experts, is a major problem. If we had not had this competence and experience shortage in the new technology areas, growth could be even more robust,” says Hans Werner.

**Footnote:** The traditional IT consultancy market in Sweden is valued at 57 billion SEK. On average, the market is expected to grow by 3.6 per cent in 2019. However, some areas are expected to grow significantly faster, especially in new technologies, cloud services and cyber security. ☺

Source: Radar



# California Dreaming with remote control



He turned down the dragons in the Dragon’s Den and rebuffed an investment of 1.5 MSEK. The rest is entrepreneurial history. Today, Tobias Schildfat’s runs his success story, Solentro, with his brother, and at the same time has given remote work a face by moving his office to sunny California when the weather turns slushy in Sweden.



**TOBIAS SCHILDFAT**  
ENTREPRENEUR & FORMER  
OF SOLENTRO

**“I chose to resign** my post, which led to my first consultancy job. This move represented a new beginning and a financial opportunity to start my creative work. When I took that courageous first step, the idea was born to build our own company. Although the idea had already developed in my mind, I was not ready to act on it and take the plunge.”

This is how Tobias Schildfat, founder of Solentro, one of the

leading players in the Swedish market when it comes to offering the opportunity to produce your own book, puts it. He is also a frequently published author and has, among other accomplishments, written the successful book ‘The Way to Your First Million’, which topped the sales lists. After securing a master’s degree at Lund University and Napier Business School in Edinburgh with a major in leadership and marketing, he worked as a stockbroker at Handelsbanken and then as business area manager at Findus. But one day he took a deep breath and thought ‘now is the time’.

### **URGE TO BE MASTER OF YOUR OWN TIME**

One of the driving forces behind the formation of Solentro was to see if he could do it in the first place, while another was the urge to have more control over his own time. Another benefit of starting his own business was that he was free to move his office to California during the winter. In California, the brothers were able to further develop their network, while at the same time more easily combine work with leisure.

“It gives me energy to jog every morning along the coast, which has also benefited the business,” says Tobias Schildfat.

“If you work with your passion together with the best, you will in all probability have a lot of fun and many rewarding days. It gives you the will and the energy to endure. It is also one of the best ways of passing the time no matter how things are going.

There are many advantages to working ‘remote;’ he says. These include generating free time, while the gig economy gives the freedom to select the assignments you want.

“It’s fantastic. Today I can check my job calendar, happy in the fact that no one else has scheduled my time. I know that people who work in larger organisations frequently see their calendars fill up quickly. But for me, I only see things that I have entered myself.”

“But in order to succeed as a ‘gigger’ or working remote you must be brave and take responsibility for your own development. Good competitors, role models and employees are all factors in lifelong learning. There is always someone who will inspire you and teach you new tricks if you are curious and listen,” says Tobias Schildfat. ☺

# Finally, we are spared having to follow the gut feelings of consultants

Artificial intelligence (AI) is not about to 'take all our work'. On the contrary, there is alarmingly little AI being developed by Swedish companies. It is now time for change.

**My observations are**, as follows. You can't teach old dogs new tricks. We know this. But this must not get in the way of artificial intelligence (AI). Do not focus on the technology as such but on change. Let me explain.

Decision makers are often uncomfortable in their technical ignorance and this prevents them from focusing on the actual task at hand: to imagine the opportunities (and the risks) of AI. I cannot say that I understand how my mobile phone works, but this hardly prevents me from calling, surfing and sending video messages.

The power of AI is only utilised once you understand the basics of how to achieve its business potential and then utilise AI to accelerate or streamline your process.

Consequently, as per usual, it is not a question of developing smart algorithms just because it is trendy right now, but to really understand in full how you can use technology to enhance your business. Think back to 2010 when the focus was on building an app without stopping to think why.

**But the big challenge** is having to rethink and recognising the limitations of the human brain and your gut feeling. And then accept that decisions are made better by an intelligent computer first processing and analysing the data and facts that have been collected.

Change is difficult. Harvard Business Review recently published figures that show that large companies have for the most part failed in their goal of becoming data-driven.



AUORE BELFRAGE  
COLUMNIST SVD NÄRINGSLIV

This is the case despite increasing investments in data management and systems; 72 per cent of large companies report that they have not been able to build a corporate culture that makes decisions based on actual data. Talk about irrational. For hand on heart: how do you make decisions in your organisation?

This probably starts with a notion of a particular direction, such as a strategic reorganisation. Everything sounds better by adding the prefix strategically.

**The management team** holds discussions on the basis of its gut feeling and its knowledge in the area. Either you delegate internally, or you engage high-profile consultants. This group uses its experience (read gut feeling), its famous network, its databases (read Google) and an award-winning two-by-two matrix to understand the pros and cons. A report is compiled and a few weeks later a proposal is presented back to the management team, which is then subject to further discussions. Decisions are made, perhaps with a Swedish consensus or as a result of the group's strong preferences. So far this has been good enough. But

those who take the step into an AI era can expand the basis of their decision to include all data that is free from any emotions, nepotism, personal ambitions and the current status. And not forgetting: in real time.

In other developments, the comedian and presenter Fredrik Lindström is currently performing his new show; Humanity - The imagination of ourselves.


Lindström uses humour to illustrate that we insist on believing that we are rational but that human decisions are formulated by emotions and that the brain only serves as a support function.

As an AI advocate, Lindström's performance is a gift from above. It is high time to realise that the few facts and data points that we can keep in mind hardly stands in comparison to using intelligent computers to make decisions.

**Are we going to let** computers take over everything? No. This is important. Let the computers do the analysis. Then use your gut feeling as your moral compass and your guideline. Change is difficult. Are you ready to step into an era of AI?

The new recipe for success is a smidgeon of brain, a sprinkling of gut feeling and a bucket load of data collection that you delegate to AI. Sweden and Swedish companies cannot afford to lag behind on the global stage. ☺

*The chronicle was previously published on 26 February 2019 in SvD's Näringsliv business section.*

A wide-angle photograph of a modern, empty parking garage. The space is characterized by a series of white, tapered concrete pillars supporting a ceiling with a complex network of pipes and conduits. The floor is a light-colored concrete with some white markings. The lighting is bright and even, highlighting the clean, industrial aesthetic of the facility.

IT HAS BECOME INCREAS-  
INGLY TRICKY IDENTIFYING  
THE RIGHT COMPETENCE  
IN IT, FOR EXAMPLE, BUT  
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SUITABLE CANDIDATES

FREDRIK HESSE  
TECHNICAL DIRECTOR  
Q-PARK



# SPEEDY DELIVERY OF INDIVIDUAL CONSULTANTS SOLVES Q-PARK'S CHALLENGES

From inspecting playgrounds in Norway to changing rock drilling tips in a mine in Africa. Ework receives emergency assistance requests for special competence in a variety of areas on a daily basis. And in virtually all cases, Ework manages to come up with exactly the right consultant. One of the companies that occasionally need assistance is Q-Park. "It has become increasingly tricky identifying the right competence in IT, for example, but Ework can quickly select a handful of suitable candidates" says Fredrik Hesse, Technical Director at Q-Park.

Many of Ework's clients have a huge need for consultants and therefore sign framework agreements that streamline their purchases. But the Ework client list also includes a wide range of companies, from start-ups to large-scale international companies, who occasionally need individual consultants with special competence - such as Q-Park.

Q-Park is a Dutch company that runs parking installations across Europe. In Sweden, it also runs parking surveillance operations. The areas where Q-Park sometimes needs the addition of resources and where it may be difficult to find suitable consultants includes IT, helpdesks and Business Intelligence.

"It has grown increasingly problematic to recruit via advertising. And it's a challenge to pinpoint a smooth method of securing avail-

able candidates in any other way," says Fredrik Hesse.

"Most consultancy companies can call on consultants with experienced profiles. However, they are not always available at the time when we need their particular competence. Because of this, we took the decision to cooperate with a consultant supplier such as

Ework," he continues.

For clients who have similar needs as Q-Park, i.e. individual consultants on individual occasions, Ework can identify and present a number of suitable candidates from its extensive network quickly and easily, without the need for a framework agreement.

"Over just 3-4 days I get to see a handful of suggestions for suitable consultants, who are also available. By way of comparison, it would be hugely ineffective if I had to contact a number of consultant providers myself to get similar profiles," says Fredrik Hesse.

## MOST REQUESTS IN IT

According to Anna-Karin Cederholm-Wik, Business Area Manager for Ework's On Demand Sourcing, ODS, the company continuously receives requests for consultants to cover a wide array of assignments - some more exotic than others. But most of them are IT-related, ranging from basic services to specialist roles.

"We want our clients to be certain of the fact that before they receive an offer from Ework, we have benchmarked consultants both in terms of price and competence level, and we have also ensured that the consultant is available at the time in question," says Anna-Karin Cederholm Wik. ☺

"Ework's simplified processes allow us to manage everything from invoicing to contract writing and time reporting and make the consultancy purchase easy even for first-time purchasers."

Anna-Karin Cederholm-Wik,  
Business Area Manager,  
On Demand Sourcing, Ework

# MEET CREATIVE MALIN WHO ELIMINATED HER OWN JOB

PHOTO: FOND&FOND

One of the first projects that she initiated after being given a leading position in administration at Ework was to eliminate the major part of her job. “The ambition was to streamline routines in order to provide more time for clients and consultants. This was ten years ago and Malin Fondin had just turned 20. The areas of responsibility have grown over time and today, 30 years old, she leads the work on optimising processes across the entire company “The best thing about Ework is that you are encouraged to have your own ideas and to promote them yourself. So far I have never heard a no,” she says.





**MALIN FONDIN**  
DIRECTOR OF OPERATIONS  
EWORK



# Y

**Young, but nevertheless** a veteran, both in the company and as a manager. When Malin Fondin started doing some extra work at Ework twelve years ago, she was still attending high school and the company was housed in a basement room on Riddargatan.

Ten years ago, Malin Fondin was hired as a receptionist at Ework. For a few years she coupled full-time studies in economics at the university with part-time work as head of sales administration. Today, Malin is responsible for optimising all processes and flows at Ework.

“A lot has happened since that time, both for me and for Ework. I am ten years older and Ework ten times as big,” she points out.

“The thing that perhaps characterises me the most is that I am constantly moving forward. That’s why it suits me perfectly to work at a company like Ework, which is constantly under development and where innovation is rewarded. You have no need to change work-places.”

The similarities between Malin

Fondin and her employers are obvious. Entrepreneurship is found there, as is the drive and ambition to always do things better.

## COMBINED WORK WITH UNIVERSITY STUDIES

But it all started, as previously mentioned, in the basement of Riddargatan. After high school, Malin Fondin was employed as a receptionist at Ework, which had then moved to Klarabergsgatan, and she coupled a few years of full-time studies in economics at the university with part-time work as head of sales administration at Ework.

“It worked perfectly well to combine the two. I didn’t find my studies particularly onerous, and it was also much more fun to be at work where I had the chance to

bring my knowledge to the role for real,” she says.

One of her first work tasks was to build processes for how Ework would be working with sales administration in the face of a tough recession that hit the world economy in 2008.

“Even though the external circumstances were not at all easy, I thought it was so inspiring to be entrusted to run improvement projects. My ambition was to streamline the sales administration so I that I could make more time for consultants and clients. One of the projects close to my heart was the introduction of electronic signatures,” she says.

The result of Malin Fondin’s work was that she eliminated the major part of her job. Once this was done



and dusted, she went on to lead the construction of a Service Centre in Stockholm with the task of providing support to the sales organisation along with service to clients and consultants. This working method was so successful that it was later rolled out across all Ework offices.

“At this workplace, you have to have your own ideas and promote them yourself. You need to take on the leadership role for your own development. But when you do, you’ll never hear a no. I appreciate this.”

“Ever since I started here, there has been something you might call creative chaos at Ework, but at the end of the day we manage to navigate through it. We are curious, prepared to test new concepts and are energetic. I value our rapid mobility, but as we grow and add ever more staff, it is becoming increasingly crucial to ensure clearly defined leadership and communication where everyone speaks the same language and that we constantly identify new ways of cooperating and working methods that are effective as we grow larger,” she says.

Malin Fondin believes that the majority of their success is down to the fact that Ework has managed to recruit people who, just like the company, want to progress, and that the entrepreneurial spirit is still evident at the company, despite the fact that it has undergone huge growth.

#### **ARCHITECT BEHIND EWORK’S NEW LEGO SYSTEM**

Today, Malin Fondin is responsible for optimising processes and flows at Ework.

“It is key to finding a balance between being adaptable to the clients and at the same time identifying processes that improve efficiency and competitiveness. We



must continue to be flexible and personal, but not person-dependent. Our clients often select us for the very reason that we are flexible and can adapt to suit their needs. Maintaining many different ways of working inhibits the ability to work efficiently, a challenge that affects us every day and that I am passionate about solving in my work,” she says.

In 2018, Malin Fondin and her team completed an extensive project in which they surveyed both the internal processes at Ework, as well as the clients’ processes. Based on this material, they then constructed a modular system, that they call Lego, where the pieces, that is, the processes, are not that many.

“However, they can be combined in an almost infinite way, which

**THE THING THAT PERHAPS CHARACTERISES ME THE MOST IS THAT I AM CONSTANTLY MOVING FORWARD. THAT’S WHY IT SUITS ME PERFECTLY TO WORK AT A COMPANY LIKE EWORK, WHICH IS CONSTANTLY UNDER DEVELOPMENT AND WHERE INNOVATION IS REWARDED.**

allows us to retain our flexibility when it comes to our clients, while at the same time working more efficiently,” she says.

When Malin Fondin is not busy coming up with smarter ways for Ework to operate, she is happy to spend her time at home at Södermalm in Stockholm. Here she has an outlet to bring out her other creative sides, which includes colour and design.

“I am a cosy person who likes to keep a nice home. I’m always looking for a project to get my teeth into, which might see walls being repainted, furniture being replaced and plants being moved around time and time again. But for me it is important to have a clear idea of what I am constructing before I strike the first nail. I need an initial, mental version. The planning phase is the best, but I am also impatient and want to make things happen quickly. This applies just as much at home as it does at work.”

“I also enjoy painting and creating things with my hands, however occasions like these are exceptions to the rules for goals, plan and effective implementation. The process is much more important than the goal and everything else takes a back seat. I have some unfinished paintings in the attic.”

“All this serves a little as a counterbalance to the high tempo at work, which I also love. One of the most enjoyable things about my job is that there are always new things to get your teeth into,” says Malin Fondin. ☺



MATEUSZ ZABA  
SOFTWARE DEVELOPER  
POLAND

# Remote control of your work – and your home

“There were solutions already in place for controlling your home via your smart phone. But I wanted to develop my own, bespoke solutions that were better, cheaper and adapted to suit my particular needs,” says Mateusz Zaba, software developer and Java specialist at E-labs on working hours and dedicated designer of his smart home for leisure time. Today, ten months after the start, he can follow his three-year-old son’s games from the café, switch on the lights from his car and turn on the radio from the Warsaw office 30 miles away.

PHOTO: PRZEMYSŁAW JASIŃSKI



**It was when** he was going to help his mother renovate her house that the idea came to him to create a smart home. He began by scanning the market to survey the solutions that were out there, at which point he decided to develop his own. “It was mostly to keep the costs in check, but then I discovered how enjoyable it was. It was a kick the first time I was able to switch on the lights via my telephone,” he says.

In many ways, Mateusz Zaba personifies the new way of working remote - where and when it suits him, being enthusiastic about his work and at the same time enjoying his leisure time to the full. He is employed at E-labs, with its hub in Warsaw, but his personal office is at his home in Olkusz.

“It works perfectly for me to work remote. I work in a more concentrated and efficient way, and I can also adapt my working hours in a way that suits me best,” he says.

#### **MEET COLLEAGUES VIA SLACK**

Mateusz Zaba started working at E-labs in 2017 after being encouraged to apply for a job by his former colleague Tomasz Dragosz, who himself works remote for E-labs from Poznan.

“There were several factors that appealed to me. On the one hand, I like to work with Tomasz, while on the other the job offered developing and stimulating work tasks. In addition, I was attracted to working at an international company and getting a chance to brush up my English.”

“I come into contact with my colleagues at E-labs every day via the Slack platform. They are based all across Poland, but also in other



My way of working gives me the room to do things alongside my job. Mateusz Zaba is also a dedicated motorcyclist, who enjoys driving off road and regularly organises longer motorcycle trips with his friends.

#### **I COME INTO CONTACT WITH MY COLLEAGUES AT E-LABS EVERY DAY VIA THE SLACK PLATFORM. THEY ARE BASED ALL ACROSS POLAND, BUT ALSO IN OTHER COUNTRIES, SUCH AS SWEDEN AND BOSNIA.**

countries, such as Sweden and Bosnia. Some could also be on the road elsewhere around the world. It’s fun to see each other and get a glimpse of the different environments that everyone is experiencing at that particular moment in the background. It is almost like meeting in reality,” says Mateusz Zaba.

He says that even though the majority of meetings take place digitally, he occasionally travels

to Warsaw and Poznan to meet up with colleagues.

“It is enjoyable. You have to smarten up. The only disadvantage of working remote is that you miss the chance of putting on your office suit every day. I can miss that,” he says and laughs.

#### **WORKING METHOD THAT CREATES SPACE FOR LEISURE**

Mateusz Zaba has many keen leisure interests. Socialising with his family is number one. But he is also a dedicated motorcyclist, who enjoys driving off road and regularly organises longer motorcycle trips with his friends.

“My way of working gives me the room to do things alongside my job. I save a lot of time just by not having to commute back and forth to the workplace every day. And if I work more efficiently, I can work less. Much of the time that I save this way, I can now devote to making my home even smarter. And I have many new ideas,” he says. ☺



**eworkgroup.com**

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# +16 %

In 2018, net sales  
increased by 16%.



**WITH NO CONSULTANTS  
EMPLOYED, EWORK  
CAN MATCH EACH  
ASSIGNMENT WITH THE  
RIGHT SKILLS FROM  
THE WHOLE MARKET  
IMPARTIALLY.**

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# THE SHARE

is listed on Nasdaq Stockholm, Small Cap. At year-end, market capitalisation was SEK 1,427 M and the free float value was SEK 541 M. Ework's principal shareholder is Staffan Salén and family through companies.

## Share price and turnover

The Ework share has been listed on Nasdaq Stockholm since February 18, 2010. Prior to this, it was listed on the first North marketplace. Ework's IPO was on May 22, 2008 at a price of SEK 38.00. At the beginning of 2018, the share price was SEK 105.75, and it was SEK 82.80 at year-end, down by 22%. In the same period, the Nasdaq Stockholm Support Services PI\* fell by 6.1%. The share price varied in the year between a low of SEK 80.00 on December 7 and a high of SEK 110.80 on January 16, 2018. At year-end 2018, Ework's

market capitalisation was SEK 1,427 M. The free float value at year-end was SEK 541 M, defined as the value of the shares freely available for trade (all holdings not exceeding 5%). Net profit for the year after dilution was SEK 4.58 (4.65). Share turnover in 2018 was SEK 302 M, equivalent to a rate of turnover of 18% of all shares and 49% of the free float value, based on the average price in the year.

## Number of shares and share capital

There were 17,239,675 shares of Ework Group AB (publ) as of December 31. The share capital at year-end was SEK

2,241,000. All shares carry one vote and represent equal participation in the Company's assets and earnings. The quota value per share is SEK 0.13.

## Share warrants and authorisation

The company has two outstanding stock option programmes that are included in an incentive programme for senior managers, resolved by the AGM 2017. The Meeting resolved to issue a total of 120,000 share warrants per year in the period 2017-2019. In 2018, 120,000 share warrants were issued, which expire in 2020, with an exercise price of SEK 124.66. In 2019, 87,500 share warrants were issued, which expire in 2021, with an exercise price of SEK 113.66.

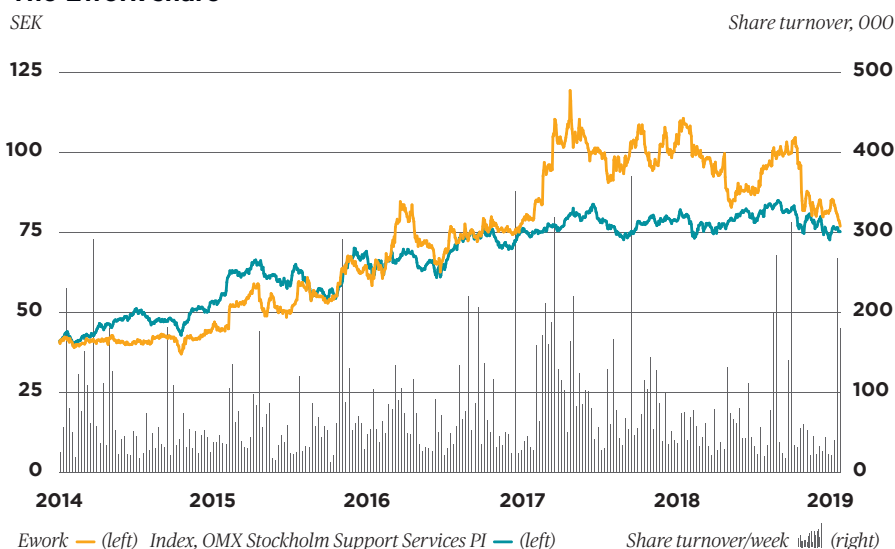
## Dividend policy and dividend

The Board of Directors' goal is to pay at least 75% of profit after tax for the year as dividend. The Board is proposing a dividend of SEK 4.50 (4.50) per share to the AGM, a total of SEK 77.6 M (77.6). This corresponds to 98% of profit after tax for 2018.

## Market maker

In the year, Ework had an agreement with Carnegie Investment Bank AB to serve as a market-maker in the Ework share within the Nasdaq OMX Stockholm system. The purpose is to promote share liquidity.

## The Ework share



## Shareholders

As of December 31, 2017	No. of shares	Votes & capital
Staffan Salén and family through company <sup>1)</sup>	4,587,945	26.6%
Försäkringsbolaget Avanza Pension	3,088,777	17.9%
Investment AB Öresund	1,826,988	10.6%
Protector Forsikring Asa	1,206,506	7.0%
Katarina Salén, personal and through family company	463,962	2.7%
Patrik Salén and family through company	397,000	2.3%
Ålandsbanken on behalf of owners	379,480	2.2%
Elementa	348,470	2.0%
Erik Åfors through company	277,291	1.6%
Veralda Investment Ltd	250,000	1.5%
<b>Sub-total</b>	<b>12,826,419</b>	<b>74.4%</b>
Others	4,413,256	25.6%
<b>Total</b>	<b>17,239,675</b>	<b>100%</b>

<sup>1)</sup> Salénia AB

## Ework Group share

As of December 31, 2018 Size of holding, no. of shares	No. of shareholders	Total shares	%
1-1,000	4,807	869,364	5.04%
1,001-10,000	326	913,766	5.30%
10,001-100,000	51	1,402,272	8.13%
100,001-1,000,000	16	3,344,057	19.40%
>1,000,000	4	10,710,216	62.13%
<b>Total</b>	<b>5,204</b>	<b>17,239,675</b>	<b>100.00%</b>

## Key indicators per share

SEK unless otherwise stated	Full year 2018	Full year 2017
Earnings per share before dilution	4.58	4.65
Earnings per share after dilution	4.58	4.65
Equity per share before dilution	9.0	8.8
Equity per share after dilution	9.0	8.8
Cash flow from operating activities per share before dilution	1.68	-7.50
Cash flow from operating activities per share after dilution	1.68	-7.50
Number of outstanding shares at end of period before dilution (000)	17,240	17,240
Number of outstanding shares at end of period after dilution (000)	17,240	17,240
Average number of outstanding shares before dilution (000)	17,240	17,205
Average number of outstanding shares after dilution (000)	17,240	17,205

## Share capital history

Transaction	Change in share capital, SEK	Share capital, SEK	Change in no. of shares	No. of shares	Quota value, SEK	Year
Incorporation	100,000	100,000	400,000	400,000	0.25	2000
New issue	53,100	153,100	212,400	612,400	0.25	2000
New issue	35,400	188,500	141,600	754,000	0.25	2001
New issue	25,000	213,500	100,000	854,000	0.25	2004
Reduction in share capital	-25,000	188,500	-100,000	754,000	0.25	2004
Bonus issue	1,696,500	1,885,000	6,786,000	7,540,000	0.25	2006
New issue	10,250	1,895,250	41,000	7,581,000	0.25	2006
Share warrants	25,000	1,920,250	100,000	7,681,000	0.25	2007
Share warrants	39,750	1,960,000	159,000	7,840,000	0.25	2007
New issue	3,400	1,963,400	13,600	7,853,600	0.25	2007
Bonus issue	76,778	2,040,178	0	7,853,600	0.26	2008
Reduction in share capital	-43,950	1,996,228	-175,800	7,677,800	0.26	2008
Split	0	-1,996,228	7,677,800	15,355,600	0.13	2008
New issue	169,000	2,165,228	1,300,000	16,655,600	0.13	2008
Share warrants	8,970	2,174,198	69,000	16,724,600	0.13	2008
Share warrants	30,404	2,204,602	233,875	16,958,475	0.13	2012
Share warrants	3,315	2,207,917	25,500	16,983,975	0.13	2013
Share warrants	13,143	2,221,060	101,100	17,085,075	0.13	2015
Share warrants	13,325	2,234,385	102,500	17,187,575	0.13	2016
Share warrants	6,773	2,241,158	52,100	17,239,675	0.13	2017

# RISKS AND OPPORTUNITIES

All business involves risk. Ework's operations may be influenced by a number of risk factors that lie wholly or partly outside the Company's control. These factors are often a basic prerequisite for the business opportunities that Ework's operations are founded on. This section reviews the risk factors that may affect Ework's future progress.

## Exogenous and market risks

### Cyclicality

The demand for Ework services can be expected to vary in different economic conditions. Ework's business model means its share of fixed costs is fairly low in relation to sales, enabling flexibility for different business cycle phases. Ework has control of its central demand indicators and good scope to act if any rapid changes occur.

### Domestic competition

Ework competes directly with other consultant suppliers without their own employed consultants. The risk of price pressure and reduced demand for Ework's services due to increased competition cannot be ruled out. Ework also competes with consulting firms with permanently employed consultants. As the Nordic market leader, Ework has the advantage of economies of scale in its delivery organisation, and the market's largest network of specialists. Through continuous rationalisation, re-engineered processes and tools such as IT support, Ework enhances client value, as well as its positioning and competitiveness.

### International competition

A number of multinational consulting firms are active on the Nordic consulting market. A growing supply of consultants is being sourced from low-cost countries. To date, Ework has only encountered modest direct competition from foreign consulting firms. The growing supply of consultants in foreign countries does not

only mean competition but also presents a business opportunity for Ework.

### Risks related to legislation and regulation

Ework currently conducts operations in four Nordic countries, as well as Poland since the beginning of 2015. Reform of legislation and other regulation, such as labour law and taxation, may impact on the conditions affecting consulting agreements, and indirectly, Ework's results of operations and financial position. Ework's business model is judged to rest on a stable legal footing in the Nordic labour and taxation legislatures. New restrictive regulations could have a negative impact on employment throughout the consulting sector, the consulting broker sector and the temporary staffing sector. Accordingly, the risk of restrictive changes to legislation in these segments is considered fairly low.

### Business ethics and brand risks

Ework's reputation is dependent on the business-like conduct of its consultants and employees in their relationships with clients, suppliers, partners and other stakeholders, so the brand is not damaged. Ework conducts preventative work on its responsibilities in sustainability through the Group's Code of Conduct, Sustainability Policy and HR Policy. The Group's Code of Conduct is based on the UN Global Compact and states principles in segments such as human rights, anti-corruption, the environment and non-discrimination.

## Operational risks

### Access to consultants

Ework is dependent on cooperation with qualified consultants to provide clients with consultants with the right skills who are on site promptly. Accordingly, one risk Ework faces is not having enough qualified consultants and consulting firms that want to collaborate with Ework. The number of consultants that choose to enter Ework's network is in high growth. However, Ework is not restricted to appointing consultants from its database, but can intermediate and collaborate with all the consultants on the market, including those in foreign countries and working for major consulting firms.

### Dependency on key staff

Ework has emerged as a pure-play entrepreneurial Company where certain key staff have played a central role in its progress. If these key staff decided to leave Ework, this could have negative consequences, at least in the short term. In recent years, Ework has grown rapidly, and has purposefully built an increasingly stable organisation. Increasingly, its operations rest on structural capital and system support, reducing its dependency on individual key staff.

### Framework agreements

One clear tendency is for larger clients choosing to restrict their consulting purchases to fewer suppliers and formalise their business relationships through framework agreements. Framework agreements are often a prerequi-



site for doing business as a consultant supplier. Pricing, services and engagements are formalised in framework agreements. Framework agreements affect the risks of Ework's operations in two ways: if the number of framework agreements reduces, this is likely to mean a drop in demand for Ework's services. The same negative impact results if, on average, clients downscale purchased volumes in framework agreements. Ework has worked, and is continuing to work, on a goal-oriented basis to expand its client base and number of framework agreements.

**Dependency on individual clients**  
If several larger clients were to completely terminate or sharply downscale purchasing from Ework, this would affect Ework negatively. Risk is diversified in several ways. Ework has a large number of clients, often with framework agreements. Consultants at one client have often been contracted on different assignments in different timescales. One client represented just over 6% of sales in 2018, and in total, the ten largest clients generated 46% of sales in 2018. A high share of costs are variable, linked directly to revenues, and accordingly, a sudden revenue short-fall need not cause any dramatic effect on EBIT.

#### **International operations**

Historically, Ework has expanded by establishing a presence on new geographical markets. In 2015, Ework started up operations in Poland. Each international

start-up means a new test of under new conditions, and there can be no guarantee that it will be as successful as on the domestic market. Ework's international start-ups require only limited capital and fixed costs are low, while existing Group-wide resources are utilised.

#### **Stability of IT systems**

Ework's proprietary IT systems play a central role in its processes and client offering. Accordingly, operational disruptions and functional faults to IT systems represent a risk for Ework's business because it would directly affect the quality of its delivery to clients. Until the present, Ework's IT system has contributed to its fast growth since start-up in 2000 without any actual serious operational disruptions. Ework continuously enhances its IT support.

#### **IT system development and digitalisation**

Ework's operations require the continuous development of internal processes, as well as interaction with clients and consultants. Digitalisation is necessary for maintaining competitiveness. The risk for Ework is partly inherent in higher costs being necessary for IT development/digitalisation, and partly unsatisfactory delivery impacting on competitiveness in time. Since 2016, Ework has been conducting focused work on its internal systems, and is continuing with systems for clients and consultants whose effects are enhanced internal quality and efficiency, as well as stronger market positioning.

#### **Contract risks and claims liability**

The consultants Ework has on assignment with clients could cause damage or commit offences against the client. This represents a risk for Ework because Ework is a contract partner with the client. To avoid being affected financially by such events, Ework has arranged professional indemnity cover. However, no situation has arisen to date where it has been necessary to utilise this cover.

#### **Investment risk in new outsourcing CSO contracts**

By developing its CSO concept and successfully addressing the market, Ework now has several large accounts and engagements in this segment. These collaborations are inherently long term and require initial investment. There is a risk that generating earnings from these investments takes longer than expected, or there are no earnings. Deliveries in these engagements are based on Ework's standard processes and systems, which have substantial, tried-and-tested reliability. Through effective monitoring and control of business and deliveries, Ework minimises the scope for negative surprises.

# STRONG GROWTH AND PROGRESS

The Board of Directors and Chief Executive Officer of Ework Group AB (publ), corporate ID no. 556587-8708 hereby present the annual accounts and consolidated accounts for the financial year 2018.

## Operations

Ework is a market-leading and independent consultant supplier operating in northern Europe, which focuses on IT, telecom, technology, and business development, with over 9,000 consultants on assignment. Without having consultants employed, Ework can impartially match every assignment with the right competence from the whole market. Ework serves as contract counterparty for the consultant purchaser and consultant.

Ework Group AB is the Parent Company of the Ework Group. Business operations are conducted through the Swedish Parent Company as well as subsidiaries in Finland, Denmark, Norway and Poland. The head office is located in Stockholm,

and Ework has regional offices in Gothenburg, Malmö, Linköping, Västerås, Sundsvall, Helsinki, Oslo, Stavanger, Copenhagen, Århus, Warsaw, Wrocław and Gdynia.

## Significant events in the year

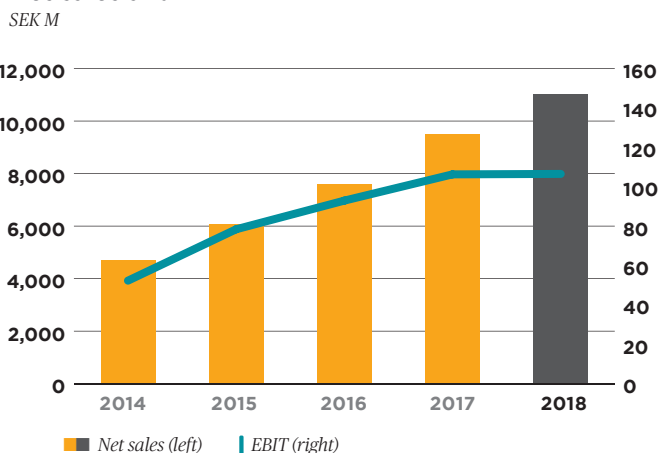
Ework's sales increased by 16% in 2018, to SEK 11,036 M (9,503), and EBIT was SEK 106.5 M (106.3). Order intake increased by 17% to SEK 15,796 M (13,510). Demand was strong in the year. The number of consultants on assignment continued to increase, peaking at 9,771 (8,550). In February 2016, Ework announced its ambition to achieve average yearly sales growth of 20% and an increase in earnings per share averaging 20% per year from 2016 until

2020 inclusive. In light of earnings performance in 2018, Ework does not judge that it has fully achieved its financial target for earnings per share for the period 2016-2020, although it is retaining its ambition to increase EPS by 20% per year in 2019 and 2020. Ework is retaining its sales growth target for 2016-2020.

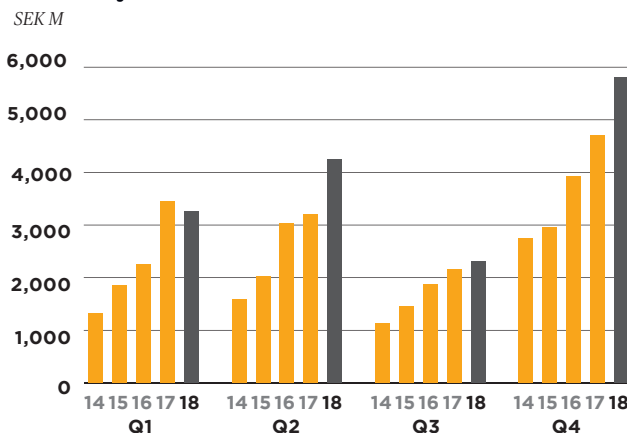
## Sweden

In Sweden, operations are managed from offices in Stockholm, where the Group's headquarters are located, as well as Gothenburg, Malmö, Linköping, Västerås and Sundsvall. Net sales increased by 20% to SEK 9,118 M (7,613), while EBIT increased by 17% to SEK 101.7 M (86.8). The operation in Poland is reported under the Sweden

## Net sales and EBIT



## Quarterly order intake



segment for the present, and passed 300 consultants on assignment in the period, making a positive earnings contribution late in the year.

#### Denmark

The Danish operations are managed from offices in Copenhagen and Århus. The Danish operation made poorer progress than expected. Anticipated downscaling on one major account was greater than anticipated, and new clients and assignments did not offset this. Net sales were down by 25% to SEK 481 M (644). EBIT was SEK 0.1 M (9.3). Changes were effected in the period to adapt and reinforce this organisation, which generated restructuring expenses.

#### Norway

Ework has offices in Oslo and Stavanger. Progress was positive, and net sales in the Norwegian operations increased by 25% to SEK 901 M (719). EBIT was SEK 4.5 M (10.0). The fact that earnings are not increasing despite net sales growth is due to expenses for upscaled initiatives in Stavanger.

#### Finland

The Finnish operations are managed from offices in Helsinki. Net sales increased by 2% to SEK 536 M (528) in the year. EBIT was SEK 0.2 M (0.1). The Finnish operation is maintaining stable progress on current business accounts. Work is now being focused more on expanding its client portfolio.

#### Employees

At year-end, the Company had 332 (302) full-time employees. The number of employees increased by 30 in the year. The average number of employees calculated on the basis of hours worked per year was 297 (246). Consultants on assignment are not employees of Ework and thus not part of the Group's staff. Ework is an equal opportunities employer, and its staff have a high educational standard. Gender division in the Company was 61% women and 39% men of average headcount.

#### Sustainability governance

Our sustainability framework proceeds from our vision, business concept and our mission of matching consultants to assignments for our clients. Our policies, objectives and integrated working methods are the framework of our sustainability work.

#### Sustainability policy

Management has adopted a Sustainability Policy, an HR Policy and Anti-corruption Policy. They consist of the following sections:

- Human Rights
- Occupational Health & Safety and Stress
- Rehabilitation
- Equal Opportunities
- Crisis Management
- Harassment & Offensive Special Treatment
- Alcohol & Drug Policy
- Core Values
- Gifts & Bribery
- Code of Conduct

Sustainability targets are adopted progressively by management after conducting a stakeholder dialogue and materiality analysis.

#### Sustainability work

Ework complies with legal requirements and collective bargaining agreements, and proceeds from the ILO Core Conventions and OECD Guidelines for Multinational Enterprises. Ework Group complies with the ten principles of the UN Global Compact, which represent the Company's social responsibility. These principles are based on international conventions on human rights, labour law, the environment and anti-corruption.

Sustainability issues are an integrated component of operating activities and business processes where action plans and follow-ups of sustainability targets are included in the responsibilities of process owners.

A separate Sustainability Report has been prepared for 2018, and is available at Ework's website: [www.eworkgroup.com/se/om-ework/sustainability/](http://www.eworkgroup.com/se/om-ework/sustainability/).

#### Research & development

To consolidate Ework's positioning as a leading consultant supplier in IT, telecom, technology and business development, it conducts continuous work to develop concepts and models for collaboration with consulting purchasers and consultants. There is no separate budget allocated to R&D and these costs were reported continuously through 2017, with a portion of development expenditure



capitalised. Capitalisation was SEK 12.5 M in the year. IT investments remained high in the year to exploit Ework's rationalization potential, and sharpen competitiveness.

#### **Environmental impact**

The Board's judgement is that Ework's operations do not have any significant environmental impact. However, Ework works actively to improve the environment on a financially and commercially justifiable footing. Environmental work is conducted locally based on each entity's specific circumstances. Ework has held ISO 14001 certification since 2012.

#### **Net sales and profit**

Net sales increased by 16% to SEK 11,036 M (9,503). The growth was sourced from Sweden including Poland, and Norway. EBIT was SEK 106.5 M (106.3), with all operating segments reporting positive earnings. Throughout the year, earnings were charged with expenses for upscaled initiatives in Ework's organisation, as well as investments in digitalisation and automation. These are being executed with the aim of creating the conditions for continued growth, rationalisation, scalability and profitability. The EBIT margin amounted to 1.0% (1.2). Profit after net financial items was SEK 101.7 M (105.6). The effective tax rate was 22.4% (23.8). Earnings per share before dilution were SEK 4.58 (4.65), and SEK 4.58 (4.65) after dilution.

#### **Profitability and financial position**

Return on equity was 51.3% (55.7). The Group's cash flow from operating activities amounted to SEK 31.5 M (129.4). Working capital varies naturally during the year as a consequence of differences in the due dates of incoming and outgoing payments. All payments from clients and to consultants are made at month-ends. Accordingly, small delays to payments made or

received can result in a significant impact on cash flow at a specific time. The equity/assets ratio was 4.7% (5.4) on December 31, 2018. The lower equity/assets ratio is due to higher sales in year-on-year-terms. Ework has a credit facility of SEK 350 M (200), related to supplementary services with advance payment. Accounts receivable have been pledged as collateral for this facility.

#### **Parent Company**

The Parent Company's net sales for the financial year were SEK 8,922 M (7,470). Profit after financial items was SEK 99.3 M (92.3). Profit after tax was SEK 77.0 M (71.4). The Parent Company's equity was SEK 127.8 M (128.0) on December 31 and the equity/assets ratio was 4.5% (5.4). As stated above, the Swedish operations are conducted through the Parent Company. Regarding the future outlook for the Parent Company, its employees, research, development and the environment, the same conditions apply to the Parent Company as those stated for the Group.

#### **Share information**

At year-end, Ework had 17,239,675 outstanding shares. All shares carry one vote and represent equal participation in the Company's assets and earnings. There was no repurchase of treasury shares. On the basis of the Board of Directors' confidence in the Company's future progress, the Board is proposing a dividend of SEK 4.50 (4.50) per share to the AGM, amounting to SEK 77.6 M (68.8) in total, which corresponds to 98% of the Group's profit after tax.

#### **Articles of Association and contract conditions**

The Articles of Association specify that the Board members shall be appointed at the AGM for the period until the next AGM. The Board shall consist of not less than three and not more than eight ordi-

nary members, with no deputy members. The Articles of Association do not contain any special provisions on amendments to the Articles of Association. Swedish law applies to amendments of the Articles of Association, i.e. they must be supported by shareholders' meeting resolutions with a two-thirds (2/3) majority. No individual agreement is of critical importance for Ework's overall operations. Nor is there any agreement between the Company and the members of the Board of Directors which prescribes compensation if they resign as a consequence of a public takeover bid.

#### **Other information**

The Company has two outstanding stock option programmes that are included in an incentive programme for senior managers, resolved by the AGM 2017. The Meeting resolved to issue a total of 120,000 share warrants per year in the period 2017-2019. One of these stock option programmes involves 120,000 share warrants issued in 2018 and expiring in 2021. Their exercise price is SEK 113.66. The previously outstanding stock option programme of 120,000 share warrants has an exercise price of SEK 124.66 and matures in 2020.

There were no company acquisitions in 2018. No transactions between Ework and related parties materially impacting the Company's financial position and results of operations took place. The Board's work is described in the Corporate Governance Report on pages 10-13. For a description of the Group's and the Parent Company's financial risks and sensitivity analysis, see Note 20.

#### **Remuneration principles for senior managers**

The following proposal for a resolution on the guidelines for remunerating senior managers at the AGM 2019 has been made: The senior managers of the Company

are the Chief Executive Officer and other senior managers. Other senior managers are defined as the executive management team plus the CEO. For information on the composition of the executive management team, see pages 16-18.

Senior managers should be offered market-based overall compensation packages that ensure the right person can be hired and retained. Salaries should reflect individual responsibilities and experience. Remuneration should consist of basic compensation (monthly salary), performance-related pay, other benefits and pension.

The bonus of the Chief Executive Officer will be determined annually by the Board. A bonus not exceeding 2.00% of the Company's profit before tax has been approved for the Chief Executive Officer, and for the Executive Vice President, a bonus not exceeding 1.50% of the Group's profit before tax has been approved. The total bonus for the Chief Executive Officer and Executive Vice President is a combined maximum of SEK 3.6 M.

For other senior managers, variable remuneration is subject to a ceiling of 100% of basic salary. Variable remuneration is based on the outcomes of individual targets.

Pension benefits and compensation in the form of financial instruments etc. and other benefits to the Chief Executive Officer and other senior managers are payable as a part of total remuneration. In the event of termination by the Company, the Chief Executive Officer will be entitled to full salary and obligations in respect of occupational pension insurance for a six-month period. In the event of termination by the Chief Executive Officer, similar provisions apply for six months. Remuneration to other managers is determined by the Chief Executive Officer. The notice period for other senior managers varies between three and six months. Remuneration is paid during the notice period.

### Proposed appropriation of profit

The Annual General Meeting has the following funds at its disposal

SEK	
Share premium reserve	40,849,172
Retained earnings	-30,855,658
Profit for the year	76,989,744
<b>Total</b>	<b>86,983,258</b>

The Board of Directors proposes that the funds at the disposal of the Annual General Meeting and non-restricted reserves are appropriated as follows:

Dividend to shareholders 17,239,675 x SEK 4.50 per share	77,578,538
Carried forward	9,404,721
<i>Of which share premium reserve</i>	<i>9,404,721</i>
<b>Total</b>	<b>86,983,258</b>

Employees not covered by LAS (the Security of Employment Act) or equivalent are entitled to up to 6 months' redundancy payment in addition to the notice period above.

Remuneration to senior managers pursuant to the AGM 2017 is stated in note 5.

### Incentive programmes

See the section in the Corporate Governance Report on page 12.

### Significant risks and uncertainties

Generally, Ework's significant business risks for the Group and the Parent Company consist of reduced demand for consulting services, difficulties in attracting and retaining competent staff, credit risks, and to a lesser extent, currency risks. For a more detailed description of risks and risk management, see pages 4-5 and note 20 of the annual accounts.

### Events after the reporting date

No significant events have occurred since the reporting date.

### Future prospects

In February 2016, Ework announced its ambition to achieve average yearly sales growth of 20% and an increase in earnings per share averaging 20% per year from 2016 until 2020 inclusive. In light of earnings performance in 2018, Ework does not judge that it has fully achieved its financial target for earnings per share for the period 2016-2020, although it is retaining its ambition to increase EPS by 20% per year in 2019 and 2020. Ework is retaining its sales growth target for 2016-2020.

### Board of Directors' statement on proposed dividend

The proposed dividend will reduce the Parent Company's equity/assets ratio from 4.5% to 1.8% and the Group's equity/assets ratio from 4.7% to 2.4%. Against the background of the Company's and the Group's operating activities still being conducted profitably, and considering available financing solutions, the equity/assets ratio is satisfactory. Ework judges that it will be possible to maintain the liquidity of the Company and Group at a satisfactory level.

# CORPORATE GOVERNANCE REPORT

Ework Group AB (publ) is a Swedish-registered public limited company based in Stockholm. The Company delivers consulting services in IT, telecom, technology, and business development. The Company has been listed on Nasdaq Stockholm since February 2010.

The governance of the Group includes the Articles of Association, the Swedish Companies Act, Nasdaq's rules for issuers, including the Swedish Code of Corporate Governance (the Code) and other applicable laws and regulations. Ework complies with the Code apart from stipulations governing the Nomination Committee. Departures from the Code are explained in detail below. For more information about the Code, see [www.bolagsstyrning.se](http://www.bolagsstyrning.se).

No breaches of applicable stock exchange rules occurred.

## The share and shareholders

At the end of the year, there were 17,239,675 outstanding shares divided between 5,204 (5,628) shareholders. All shares carry one vote and represent equal participation in the Company's assets and earnings. Three shareholders hold over 10% of the Company's shares each: Staffan Salén and family through a company (Salénia AB) with 4,587,945 shares (26.6%), Försäkringsaktiebolaget Avanza Pension with 3,088,777 shares (17.9%) and Investment AB Öresund with 1,826,988 shares (10.6%).

## Annual General Meeting (AGM)

The Company's AGM is the chief decision making body of Ework, where the shareholders exercise their influence through discussions and resolutions. All shareholders who are listed in the share register five days prior to the Annual General Meeting are entitled to participate either personally or via proxy. Notification must

be made to the Company as set out in the convening notice.

Ework's Annual General Meeting of shareholders, its AGM, is held in Stockholm within six months of the end of the financial year. The convening notice is published in Swedish daily newspaper Svenska Dagbladet, the Swedish Official Gazette and on the Company's website – [www.eworkgroup.com](http://www.eworkgroup.com).

The AGM resolves on matters including adoption of Income Statements and Balance Sheets, dividend, discharging the Board of Directors and CEO from liability, election of Board members, Chairman of the Board, and where applicable, auditors, as well as remuneration for the Board and auditors, the principles for remunerating senior managers and other key issues.

24 shareholders representing 51% of the votes in the Company participated at the AGM 2018. All Board members, including the Chairman of the Board, auditors, CEO and CFO attended.

The AGM 2018 passed the following resolutions:

- The dividend was approved in accordance with the Board's proposal of SEK 4.50 per share, with the record date for dividends of April 26, 2018. The dividend was disbursed through Euro-clear Sweden AB on May 2, 2018.
- The AGM resolved that Ework's Board of Directors should have the following members: Staffan Salén, Magnus Berglind, Dan Berlin, Johan Qviberg, Mernosh Saatchi, Anna Storåkers and Erik Åfors. Staffan Salén was re-elected

Chairman. Audit firm KPMG AB was elected as auditor, with Authorised Public Accountant Mattias Johansson as Auditor in Charge. All in compliance with the Nomination Committee's proposal.

- The AGM approved the Nomination Committee's proposed fees for Board Members not employed by the Company, of SEK 155,000 for each Board Member and SEK 310,000 for the Chairman.
- The AGM approved the Nomination Committee's proposal of an unchanged fee policy, namely that the auditors would be paid as invoiced and as per received quotation.
- The AGM approved the principles for the appointment of the Nomination Committee for the AGM 2019, meaning that the Nomination Committee would consist of representatives of the three largest shareholders.
- The AGM approved the Board's proposal concerning guidelines for remunerating senior managers.

The AGM approved the Board's proposal concerning changing the Company's corporate name to Ework Group AB.

## Nomination Committee

The main duty of the Nomination Committee is to propose Board Members, Chairman of the Board and auditors and their fees so that the AGM can make informed decisions.

Ework's Nomination Committee is appointed by its three largest shareholders. In a departure from the Swedish Code of Corporate Governance's rule 2.3, two



Nomination Committee members, i.e. a majority, are Board members, and one Board member has also served as Chairman of the Nomination Committee, while both these members are non-independent of the Company's major shareholders. The justification for this is that Ework is a high-growth Company whose success is based on a strong entrepreneurial commitment from its founders and principal owners.

A Nomination Committee has been appointed in accordance with this, with the following members:

- Magnus Berglind, Chairman
- Staffan Salén (representing Salénia AB)
- Øystein Engebretsen (representing Investment AB Öresund)

The Nomination Committee has access to the appraisal of its work conducted by the Board and ensures that the Board has an expedient composition in terms of competence and experience. A special emphasis is placed on the avoidance of any discriminatory selection of members on basis of age, sexual orientation, gender or religious belief, for example. In this respect, the Nomination Committee has decided to adopt the Swedish Code of Corporate Governance 4.1 as its diversity policy. The Nomination Committee's proposals are published coincident with the notice convening the AGM and are also available on the Company's website. The Nomination Committee's term of office extends

until the appointment of a new Nomination Committee. Fees have not been paid for work in the Nomination Committee.

#### Board of Directors

Ework's Board of Directors is elected annually by shareholders at the AGM. The Board is the link between the shareholders and the Company's management, and is of great importance in the process of developing Ework's strategy and business operations. The Board's duty is to manage the Company's affairs optimally on behalf of the owners and to protect the interests of shareholders.

The Board's responsibilities are prescribed in the Swedish Companies Act and the Swedish Code of Corporate Governance. The Board's rules of procedure, which are adopted annually, set a framework for its work. Ework's Articles of Association are available on the Company's website. In compliance with the Articles of Association, the Company's Board is to consist of not less than three (3) and not more than eight (8) ordinary members, with no deputy members. Members and deputies are elected annually at the AGM for the period until the end of the next AGM. Ework's Board consists of seven ordinary members representing a broad range of commercial, technical and communication skills. The AGM 2018 elected the Board as indicated in the table below. The Chairman leads the work of the Board and has special responsibility

for monitoring the Company's progress between Board meetings and ensuring that Board Members regularly receive the necessary information to work satisfactorily.

The Chairman maintains contact with the CEO. Prior to Board meetings, the Chairman and CEO ensure that the agenda and decision support data are prepared and sent to members one week prior to each meeting. The Chairman also ensures that the Board's work is appraised and that the Nomination Committee receives the results of this appraisal.

#### The work of the Board

During the financial year 2018, the Board held 13 meetings where minutes were taken, one of which was the Board meeting following election coincident with the Annual General Meeting. The work of the Board follows rules of procedure, adopted annually at the Board meeting following election. The rules of procedure determine the division of responsibilities between the Board and Group Management, the responsibilities of the Chairman and the CEO, as well as the presentation of financial statements.

Zoran Covic served as CEO in 2018 and reported at Board meetings, but is not a Board member. The Board has appointed the Group's Chief Financial Officer as Secretary. The Board is quorate when at least four members are present. Minutes of the previous meeting are discussed at

Name	Position	Born in	Elected	Independent of Company	Independent of major shareholders	Attendance, of 13	Shares	Warrants
Staffan Salén <sup>1)</sup>	Chairman	1967	2003	Yes	No	13/13	4,587,945	0
Magnus Berglind	Member	1970	2000	Yes	No	13/13	10,000	0
Dan Berlin	Member	1955	2004	Yes	Yes	13/13	134,859	0
Anna Storåkers	Member	1974	2012	Yes	Yes	11/13	4,000	0
Mernosh Saatchi <sup>2)</sup>	Member	1979	2016	Yes	Yes	13/13	2,000	0
Erik Åfors <sup>3)</sup>	Member	1960	2014	Yes	Yes	13/13	277,291	0
Johan Qviberg	Member	1981	2014	Yes	Yes	13/13	90,850	0

1) Staffan Salén's holdings with family, and through the company Salénia AB.

2) Mernosh Saatchi's holdings through company.

3) Erik Åfors's holdings through company.

each scheduled Board meeting, as well as operations since the previous meeting and the Company's financial position and earnings trend. The Board is kept continuously informed of business operations and external matters that are of importance to the Company in writing.

In 2018, the Board paid particular attention to the following questions:

- sales work, growth and new markets;
- new client offerings;
- progress of the Company's costs.

The Board also held an all-day meeting focusing solely on the Group's position and strategy. Management also attended this meeting. In order to ensure insight and control, each year, the Board is granted an opportunity to state its views on the auditor's planning of the scope and focus of the audit. The auditors report their observations at the Board meeting in February after completing their audit of the internal control and accounting records in the third quarter, and the annual financial statements. Neither the CEO nor any other member of executive management attend this meeting. In addition, the auditors are given access to Board meetings whenever the Board or auditors consider this is required. The work of the Board is appraised annually. The Board discussed its appraisal at a meeting in January 2019.

#### **Fees to the Board**

The Annual General Meeting 2018 resolved that the Chairman of the Board should receive SEK 310,000 and that Board members should each receive fees of SEK 155,000. The total Directors' fees of Ework for 2018 amounted to SEK 1,236,000 (1,215,000).

#### **Remuneration Committee**

The Remuneration Committee members are Staffan Salén, Magnus Berglind and Dan Berlin, and it is responsible for consulting on the Board's proposal to the AGM on guidelines for remunerating the CEO and other senior managers. The CEO reports to the Committee, but does not

participate on matters relating to himself.

The Remuneration Committee's duties include:

- consulting on and evaluating guidelines for remunerating Group management;
- consulting on and evaluating the objectives and principles governing performance-related pay;
- consulting on and evaluating Ework's incentive programmes.

The Committee held three meetings in the year.

#### **Audit Committee**

The Audit Committee members are Staffan Salén, Magnus Berglind, Anna Storåkers and Erik Åfors, and it held two meetings in the year. The main duty of the Audit Committee is to monitor the processes for preparing Ework's financial statements and internal controls to ensure the quality of external reporting.

The Audit Committee's duties include:

- reviewing the financial statements;
- monitoring the effectiveness of internal controls, including risk management in respect of financial reporting;
- monitoring the external audit and appraising the work of the external auditors;
- assessing the objectivity and independence of the external auditors.

#### **Auditor**

The AGM 2018 elected public accounting firm KPMG AB, with Mattias Johansson as Auditor in Charge, for the period until the AGM 2019, to audit the annual accounts and consolidated accounts and the administration of the Board of Directors and Chief Executive Officer.

#### **CEO and executive management**

CEO and President Zoran Covic is responsible for operating activities. The Board has prepared instructions for the CEO that clarify duties and responsibilities and the framework of the CEO's authority to represent the Company. The CEO has no significant shareholdings or partnerships

in companies that the Company has material business relationships with.

Ework's CEO has appointed a management team which consists of the Deputy CEO/ CFO, the Sales Director, HR Director, Chief Digital Officer and the Operational Business Managers. The work of the management team focuses on addressing the market, sales, competence development and fundamental values, as well as questions regarding strategy, following up on results and business development. Management's duties also include investments, overall projects, financial statements, strategic communication as well as security and quality. No member of management has significant shareholdings or partnerships in companies that the Company has material business relationships with.

#### **Incentive programme**

At the AGM 2017, the Board of Directors and shareholders decided to introduce an incentive programme for senior managers and other key personnel. The aim is to enable the retention and hiring of competent and committed senior managers and other key personnel. The Meeting resolved on the issue of a total maximum of 360,000 share warrants, each of which conferring entitlement to subscribe for one share of the Company. These share warrants are being issued in three tranches (2017, 2018 and 2019) and are part of one and the same incentive programme. The share warrants are subscribed on an arm's length basis. The incentive programme corresponds to some 2.1% (0.7% per tranche). The total number of share warrants issued and outstanding in 2017 was 120,000, and each share warrant confers entitlement to subscribe for one share at a price of SEK 124.66 in the period November 1-November 30, 2020. The total number of issued an outstanding share warrants in 2018 was 87,500, and each warrant confers entitlement to subscribe for one share at a price of SEK 113.66 in the period 1 November-30 November 2021.

The remuneration principles for senior managers are reviewed on page 8 of the

Management Report, and in note 5 on page 33.

### **Internal controls and risk management**

Internal controls should ensure that the Company's strategies and targets are monitored, and that shareholders' investments are protected. Internal controls are also designed to ensure that information presented to the stock market is reliable, relevant and consistent with generally accepted accounting practice, and that laws, ordinances and other requirements of listed companies are observed Group wide. The Board of Ework has delegated practical responsibility to the CEO, who in turn, has allocated responsibility to the rest of the management team and to subsidiary managers.

Control activities are conducted at all levels of the organisation. Monitoring is an integrated component of ongoing management work. The cornerstones of Ework's system of internal controls are its control environment, risk assessment, control activities, information and communication and monitoring.

### **Control environment**

The basis for internal controls within Ework are the Board's decisions on its organisation, authorisation and guidelines. The Board's decisions have been translated into effective management and control systems by Group Management. Organisation, decision paths, authorisation and responsibilities are documented and communicated in governing documents such as internal policies, manuals and codes. The basis for the internal controls is also included in the corporate accounting and reporting instructions, instructions for authorisation and approval lists and manuals. The Group reporting system for integrated finan-

cial and operational information is also a central part of the control environment and internal control. The integrated reporting of financial and operational information ensures a sound business platform for external financial reporting. In addition to information on results, reporting also includes rolling forecasts.

### **Risk assessment and control activities**

The financial position and progress of the results of operations in Ework's business model are based on client orders being matched against production expenses. Matching is conducted in Ework's proprietary order and project management system Pointbreak, where all assignments are recorded. Each individual revenue and expense item is reconciled against contracts registered in Pointbreak. Accrued revenues are verified by the client before consulting expenses are accepted. Finally, transactions from Pointbreak are transferred to business accounting. Ework has policies and guidelines for the preparation of its financial statements, as well as automated controls in its system, and a manual reasonability assessment of flows and amounts. Management regularly assesses which new financial risks and risks of misstatement have arisen in financial reporting. The assessment is made with reference to transaction flows, staffing and control mechanisms. The focus lies on misstatements in financial reporting in respect of significant income statement and balance sheet items of high amounts as well as areas where there is a risk of significant consequences in the event of possible misstatements. The Board's opinion is that Ework's operations and scope within the framework of a qualified system and in a well-known geographical market does not require an internal audit function. The Board

conducts a fresh appraisal of this question each year.

### **Information and communication**

Ework's overall financial organisation is centralised in Stockholm, which allows for the effective management of financial reporting. To ensure the quality of financial reporting, frequent discussions are held between Corporate Finance and the various operational units. The Board has adopted a communication policy in order to ensure good communication with the capital markets. This policy stipulates the information to be communicated, by whom and how.

The basic principle is that regular financial information is provided through:

- Press releases on significant or share price-sensitive events;
- Interim and Year-end Reports;
- Annual Reports.

Ework's Board and management work to provide the Company's owners and the stock market with relevant and accurate information through openness and clarity.

### **Follow-up**

Ework continuously monitors compliance with the Company's rules and guidelines and keeps the Board informed. This is coincident with the accounting reports the Board of Directors receives monthly. The content of this financial information is expanded for Interim Reports, which are always preceded by a Board meeting where the Board approves the Report. With the organisation and working methods reviewed above, the Company believes the internal control over financial reporting is appropriate in terms of the Company's operations. On this basis, the Board of Directors has also taken the decision not to establish an internal audit function.

Stockholm, Sweden, March 26, 2019

The Board of Directors



# BOARD OF DIRECTORS

The shareholders elect Ework's Board at the AGM each year. The following Board members were elected for 2018.

PHOTO: KRISTOFER SAMUELSSON



**STAFFAN SALÉN**  
CHAIRMAN OF THE BOARD

**Staffan currently serves** as CEO of Salénia AB, was previously Deputy CEO and Head of Communication of Föreningsparbanken AB and Managing Editor of Finans-tidningen. Staffan is Chairman of Amapola AB, Sagax AB, Westindia AB and Investment AB Jamaica and holds directorships in companies including Landauer Ltd, Strand Kapitalförvaltning AB and Green Landscaping. Staffan holds a B.Sc. (Econ.) from the University of Stockholm. *Born 1967. Elected 2003.*

**Share/warrant holdings in Ework:**  
4,587 945\*/0 \*through family and company (Salénia AB)



**MAGNUS BERGLIND**  
BOARD MEMBER

**Magnus serves as** a Partner of Pamir Partners AB. He is Ework's Founder and former CEO. He was previously a Management Consultant at McKinsey & Co. New York and COO & CFO of Mactive Inc. in Florida. Magnus is the Chairman of Kaustik AB and SchoolSoft AB, and holds directorships in companies including CtrlPrint AB, e-Avrop AB and Inbox Capital AB. Magnus holds an M.Sc. (Econ.) and LL.B. from the University of Stockholm. *Born 1970. Elected 2000.*

**Share/warrant holdings in Ework:**  
10,000/0



**DAN BERLIN**  
BOARD MEMBER

**Dan is the Founder** and Chairman of Luciholding AB and the CEO of Key People Group AB and Dan Berlin Advisory AB. Dan was previously an Investment Manager for Prosper Capital Fund and CEO of Poolia IT and ICL Data AB. Dan is a director of the following companies: Key People AB, Key People Group AB, TNG Group AB, To Find Out AB, Invisi AB, Signpost AB, Invisi AB, Memo Invest AB, Tengai AB and ADA Digital AB. Dan holds an M.Sc. in Industrial Engineering and Management from the Royal Institute of Technology, Stockholm (KTH). He is also a reservist commando officer. *Born 1955. Elected 2004.*

**Share/warrant holdings in Ework:** 134,859/0



**JOHAN QVIBERG**  
BOARD MEMBER

**Johan Qviberg serves** as CEO of his company Quinary Investment AB. Previously, he worked as a property consultant and stockbroker. Johan is a director of Nattaro Labs AB, Svolder AB and Wihlborgs Fastigheter AB. Johan holds a B.Sc. (Econ.) from the Stockholm School of Economics. *Born 1981. Elected 2014.*

**Share/warrant holdings in Ework:**  
90,850/0



**MERNOSH SAATCHI**  
BOARD MEMBER

**Mernosh is the Founder** and CEO of advertising agency Humblestorm. She is a Director of MQ, The Drottningholm Palace Theatre, the Swedish Academy of Engineering Science's Business Council and Postkod-föreningen. Mernosh studied electronics at the Royal Institute of Technology, Stockholm (KTH). *Born 1979. Elected 2016.*

**Share/warrant holdings in Ework:**  
2,000\*/0 \*through company



**ANNA STORÅKERS**  
BOARD MEMBER

**Anna served as Country Manager** and Head of Personal Banking for Northern European banking group Nordea Sweden until 2018. Prior to that, she served at McKinsey & Co. in Stockholm, and Goldman Sachs International, London. Anna is a Director of Nordea Life Holding AB, and is an incoming Director of ABN Amro Group NV of the Netherlands. Anna holds a B.Sc. (Econ.), M.Sc. and CEMS from the Stockholm School of Economics. *Born 1974. Elected 2012.*

**Share/warrant holdings in Ework:**  
4,000/0



**ERIK ÅFORS**  
BOARD MEMBER

**Erik is active** as an advisory consultant in financial communications through his company Svenska Råd AB. He previously managed a number of consulting firms in the communications segment, and served with Svenska Handelsbanken London's corporate finance department. Erik is Chairman of ICTA AB and Vero Kommunikation AB, is a Director of Ingo Invest AB, and a number of subsidiaries of this company. Erik holds a B.Sc. (Econ.) from the Stockholm School of Economics. *Born 1960. Elected 2014.*

**Share/warrant holdings in Ework:**  
277,291\*/0 \*through company

# MANAGEMENT

Complete information  
is on page 18

PHOTO: FOND&FOND



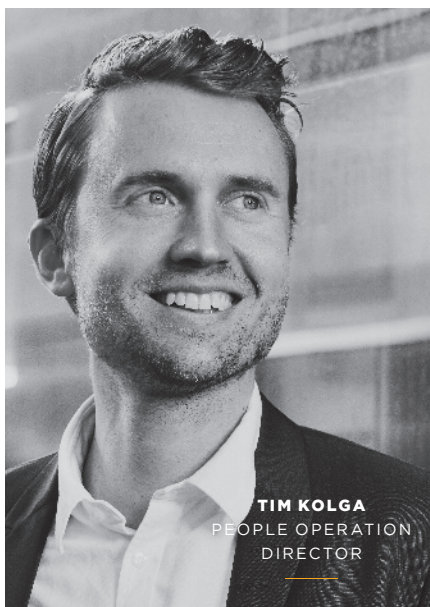
**ZORAN COVIC**  
CEO



**MAGNUS ERIKSSON**  
EVP & CFO



**PERNILLA NILSSON**  
SALES & MARKETING  
DIRECTOR



**TIM KOLGA**  
PEOPLE OPERATION  
DIRECTOR



**JESPER  
HENDRIKSEN**  
CHIEF  
DIGITAL OFFICER



**MALIN FONDIN**  
DIRECTOR OF  
OPERATIONS





**LOTTA DIZENGREMEL**  
SITE DIRECTOR  
STOCKHOLM



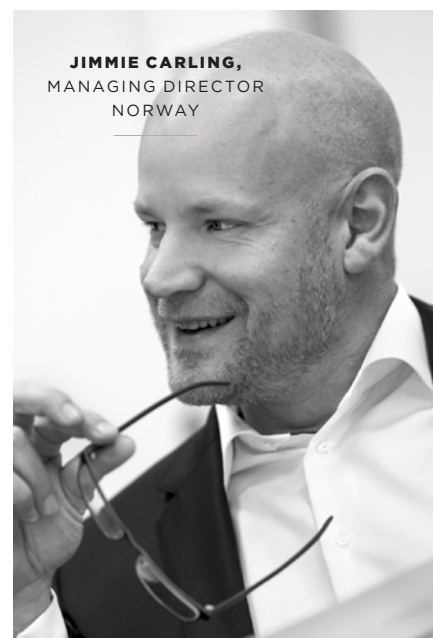
**PETER LUNDAHL**  
SITE DIRECTOR MALMÖ



**DISA NILSSON**  
SITE DIRECTOR  
GOTHENBURG



**LAURA VIRROS**  
MANAGING DIRECTOR  
FINLAND



**JIMMIE CARLING,**  
MANAGING DIRECTOR  
NORWAY



**MIKAEL SUBOTOWICZ**  
MANAGING DIRECTOR  
POLAND



**BRIAN MÖLLER**  
MANAGING DIRECTOR  
DENMARK

## Ework's management team has the following members

CEO

### Zoran Covic

Born 1973. Employed 2012.

Zoran became CEO in 2014, and previously headed Ework's operation in the Öresund region. He had been active in outsourcing since 2001, with his most recent assignment prior to Ework being in public sector business development for Logica. Zoran holds an Executive MBA from Copenhagen Business School and a B.Sc. (Econ.) from the University of Lund.

**Share/warrant holdings:**  
100,000/0

EVP & CFO

### Magnus Eriksson

Born 1969. Employed 2007.

From 2007, Magnus headed up Ework Stockholm, and was Nordic Sales Manager of Ework Group between 2009 and 2012. Magnus holds a B.Sc. (Econ.) from the University of Uppsala. He worked in sales in the IT industry from 1992, mainly as a Sales Manager, and as a sales developer, but also in organizational development for consulting firms.

**Share/warrant holdings:**  
80,000/0

Sales & Marketing Director

### Pernilla Nilsson

Born 1976. Employed 2004.

Pernilla has served as the Sales Director of Ework Group since 2013, after holding several senior positions within the Company, including Sales Manager in Stockholm, Site Director in Malmö, and heading up process and supply issues including major implementation projects. Pernilla is a Market Economics graduate from IHM Business School.

**Share/warrant holdings:**  
16,550/9 600

People Operation Director

### Tim Kolga

Born 1980. Employed 2016.

Tim has been People Operations Director at Ework since 2016. He previously

served as an organisational consultant at Sandahl Partners AB, where he collaborated with Ework on management and organisational issues since 2012. Tim is a qualified psychologist, focusing on occupational psychology.

**Share/warrant holdings:**  
0/2,000

Chief Digital Officer

### Jesper Hendriksen

Born 1972. Employed 2013.

Jesper has headed up Ework's IT structure since autumn 2017. Prior to that he led Ework's subsidiary in Denmark, and has been an employee since 1 January 2013. He has been active in the Danish IT sector since 1998 in sales of outsourcing, services and projects for companies including Maersk Data, Ementor/Topnordic, Trifork and TDC. Jesper holds an MBA from the Aarhus School of Business and Social Sciences.

**Share/warrant holdings:**  
0/35,700

Director of Operations

### Malin Fondin

Born 1988. Employed 2007.

Malin was initially active on process and development issues, and has held several senior positions within Ework since 2010. She built up Client Services, the implementation of major client projects, internal change projects, and has been an account team manager. Malin has been Director of Operations since 2017, which include Shared Service, Client Implementations and Process Development, as well as extra sales and management of ongoing consulting assignments.

**Share/warrant holdings:**  
400/14,600

Site Director Stockholm

### Lotta Dizengremel

Born 1964. Employed 2012.

Lotta has been Site Director of Ework Stockholm since August 2012 and has over 20 years' experience of sales and management in the IT and telecoms sectors. Lotta holds a

B.Sc. in Industrial Engineering and Management from Linköping University. Lotta was previously a Business Area Manager at Cybercom, Senior Consultant and Sales Manager at HiQ, Marketing Manager at Bouygues Telecom (French operator) and Key Account Manager for Ericsson.

**Share/warrant holdings:**  
8,500/8,000

Site Director Gothenburg

### Disa Nilsson

Born 1972. Employed 2006.

Since the start of her career, Disa has worked as an accounts-based salesperson, and served as Sales Manager of Ework Stockholm from 2009. She has a background in the IT sector, including seven years with Dell. Disa became the Site Director of Ework Gothenburg in September 2013.

**Aktie/Optionsinnehav:**  
2,000/5,000

Site Director Malmö

### Peter Lundahl

Born 1966. Employed 2016.

Peter has been Site Director of Ework Malmö since January 2016. Peter holds a B.Sc. (Econ.) and is a qualified systems analyst from the University of Lund. He has over 20 years' experience as an executive in various organisations. Peter's previous positions include serving as CEO of ManpowerGroup Sweden and is a senior advisor for start-ups and listed companies.

**Share/warrant holdings:**  
1 500/45,700

Managing Director Finland

### Laura Virros

Born 1969. Employed 2016.

Laura has been Managing Director of Ework's Finnish subsidiary since June 2016. She previously held senior positions in sales and corporate development in international IT companies. She possesses experience of sales and exports in the energy distribution, technology, building and construction, finance, smart cities, security, facility

management and retail sectors. Laura is a qualified engineer from the Helsinki University of Technology.

**Share/warrant holdings:**  
0/8,000

Managing Director Norway

### Jimmie Carling

Born 1975. Employed 2004.

Jimmie participated in starting up Ework's offices in Malmö, Copenhagen and Gothenburg. He served as Site Director at Gothenburg for over 8 years. Jimmie took on the role as CEO of Ework Norway in 2013. His previous experiences in IT recruitment, and he held senior positions in several companies from 2000. He holds a BA majoring in human rights and a BA in peace & conflict studies from the University of Lund and University College Malmö.

**Share/warrant holdings:** 0/0

Managing Director Denmark

### Brian Möller

Born 1970. Employed 2017.

Brian heads up Ework's subsidiary in Denmark, and has been employed since October 1, 2017. Brian has been active in the Danish IT sector for the past 20 years, leading some of the largest IT infrastructure projects. Brian has held several executive positions, most recently as Head of Services for IT infrastructure provider Atea. He has progressively acquired qualifications in leadership and accounting.

**Share/warrant holdings:** 0/0

Managing Director Poland

### Mikael Subotowicz

Born 1982. Employed 2015.

Mikael heads up Ework's subsidiary in Poland and has been employed since 1 May 2015. He has been working in the IT consultancy sector for over ten years and held senior positions in Sweden and Poland. He previously worked for ÅF and Zerochaos. Michael is a political science and international business relations graduate from Hobart & William Smith Colleges.

**Share/warrant holdings:**  
1 200/6,000

## Five-year summary

Amounts in SEK 000	2018	2017	2016	2015	2014
<b>Key ratios, Group</b>					
Net sales	11,035,613	9,503,010	7 585 442	6 089 079	4 714 208
EBIT	106,531	106,272	92 947	78 405	52 322
Profit before tax	101,713	105,574	94 154	77 858	52 880
Profit for the year	78,892	80,110	72 514	59 667	41 334
Sales growth, %	16.1	25.3	24.6	29.2	25.1
Operating margin EBIT (%)	1.0	1.1	1.2	1.3	1.1
Profit margin (%)	0.9	1.1	1.2	1.3	1.1
Return on equity (%)	51.3	55.7	58.4	50.0	32.7
Balance sheet total	3,316,630	2,808,059	2 328 965	1 797 943	1 450 839
Equity	155,610	151,691	135 917	112 212	126 412
Equity/assets ratio (%)	4.7	5.4	5.8	6	9
Quick ratio (%)	104	104.4	107.8	111	109
Average number of employees	297	246	213	176	157
Net sales per employee	37,157	38,630	35 612	34 597	30 027
<b>Key ratios per share</b>					
Equity per share, SEK	9.0	8.8	7.9	6.6	7.4
Earnings per share before dilution, SEK	4.58	4.65	4.22	3.49	2.43
Dividend per share, SEK	4.50	4.50	4.00	3.25	4.50*
Number of shares, 000	17,240	17,240	17 188	17 085	16 984
Average number of shares, 000	17,240	17,205	17 119	17 018	16 984

\* Including an extra dividend of SEK 2.00 per share.

For definitions of key ratios, see page 47.



## Statement of Comprehensive Income for the Group

SEK 000	Note	Full year 2018	Full year 2017
<b>Operating income</b>			
Net sales	2,3	11,035,613	9,503,010
Other operating income	4	67	112
<b>Total operating income</b>		<b>11,035,680</b>	<b>9,503,122</b>
<b>Operating expenses</b>			
Cost consultants on assignment		-10,576,742	-9,098,822
Work performed by the Company for its own use and capitalised		12,473	14,076
Other external expenses	6,2I	-108,570	-105,218
Personnel expenses	5	-250,487	-205,311
Depreciation, amortisation and impairment of tangible and intangible assets	10,II	-5,823	-1,575
<b>Total operating expenses</b>		<b>-10,929,149</b>	<b>-9,396,850</b>
<b>Earnings before interest and taxes</b>	3	<b>106,531</b>	<b>106,272</b>
<b>Profit from financial items</b>			
Financial income		302	667
Financial expenses		-5,120	-1,365
<b>Net financial items</b>	7	<b>-4,818</b>	<b>-698</b>
<b>Profit after financial items</b>		<b>101,713</b>	<b>105,574</b>
Tax	8	-22,821	-25,464
<b>Profit for the year</b>		<b>78,892</b>	<b>80,110</b>
<b>Other comprehensive income</b>			
<i>Items that have been reclassified, or are reclassifiable, to profit or loss</i>			
Translation differences on translation of foreign operations for the period		2,243	1,043
<b>Other comprehensive income for the year</b>		<b>2,243</b>	<b>1,043</b>
<b>Comprehensive income for the year</b>		<b>81,135</b>	<b>81,153</b>
<b>Earnings per share</b>			
	9		
before dilution (SEK)		4,58	4,65
after dilution (SEK)		4,58	4,65
<i>Number of shares outstanding at end of reporting period</i>			
before dilution (000)		17,240	17,240
after dilution (000)		17,240	17,240
<i>Average number of shares outstanding</i>			
before dilution (000)		17,240	17,205
after dilution (000)		17,240	17,205

## Statement of Financial Position for the Group

SEK 000	Note	December 31, 2018	December 31, 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	10	32,882	24,380
Property, plant and equipment	11	5,235	5,619
Long-term receivables	13	1,905	5,048
<b>Total non-current assets</b>		<b>40,022</b>	<b>35,047</b>
<b>Current assets</b>			
Accounts receivable	12	3,038,540	2,660,143
Prepaid expenses and accrued income	14	84,410	41,114
Other receivables	13	15,713	23,125
Cash and cash equivalents		137,945	48,630
<b>Total current assets</b>		<b>3,276,608</b>	<b>2,773,012</b>
<b>Total assets</b>		<b>3,316,630</b>	<b>2,808,059</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
	15		
Share capital		2,241	2,241
Other paid-up capital		59,636	59,273
Reserves		-454	-2,697
Retained earnings including profit for the year		94,187	92,874
<b>Total equity</b>		<b>155,610</b>	<b>151,691</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities		350,000	200,171
Accounts payable	16	2,716,781	2,395,149
Tax liabilities		5,333	5,335
Other liabilities	17	42,861	29,037
Accrued expenses and deferred income	18	46,045	26,676
<b>Total current liabilities</b>		<b>3,161,020</b>	<b>2,656,368</b>
<b>Total equity and liabilities</b>		<b>3,316,630</b>	<b>2,808,059</b>

## Statement of Changes in Equity for the Group

SEK 000	Share capital	Other paid-up capital	Translation reserve	Retained earnings including profit for the year	Total equity
<b>Opening equity, January 1, 2017</b>	<b>2,234</b>	<b>55,909</b>	<b>-3,740</b>	<b>81,514</b>	<b>135,917</b>
<b>Comprehensive income for the year</b>					
Profit for the year				80,110	80,110
Other comprehensive income for the year			1,043		1,043
<b>Comprehensive income for the year</b>			<b>1,043</b>	<b>80,110</b>	<b>81,153</b>
<b>Transactions with equity holders of the Group</b>					
Dividends				-68,750	-68,750
Warrants exercised by staff	7	2,614			2,621
Premiums deposited on issuance of share warrants		750			750
<b>Closing equity, December 31, 2017</b>	<b>2,241</b>	<b>59,273</b>	<b>-2,697</b>	<b>92,874</b>	<b>151,691</b>
<b>Opening equity, January 1, 2018</b>	<b>2,241</b>	<b>59,273</b>	<b>-2,697</b>	<b>92,874</b>	<b>151,691</b>
<b>Comprehensive income for the year</b>					
Profit for the year				78,892	78,892
Other comprehensive income for the year			2,243		2,243
<b>Comprehensive income for the year</b>			<b>2,243</b>	<b>78,892</b>	<b>81,135</b>
<b>Transactions with equity holders of the Group</b>					
Dividends				-77,579	-77,579
Premiums deposited on issuance of share warrants		363			363
<b>Closing equity, December 31, 2018</b>	<b>2,241</b>	<b>59,636</b>	<b>-454</b>	<b>94,187</b>	<b>155,610</b>



## Statement of Cash Flows for the Group

SEK 000	Note	Full year 2018	Full year 2017
<b>Operating activities</b>	25		
Profit after financial items		101,713	105,574
Adjustment for items not included in cash flow		5,823	1,575
Income tax paid		-25,126	-23,537
<b>Cash flow from operating activities before changes in working capital</b>		<b>82,410</b>	<b>83,612</b>
Cash flow from changes in working capital		-50,938	-212,993
Increase (-)/decrease (+) in operating receivables		-397,247	-526,513
Increase (+)/decrease (-) in operating liabilities		346,309	313,520
<b>Cash flow from operating activities</b>		<b>31,472</b>	<b>-129,381</b>
<b>Investing activities</b>			
Acquisition of property, plant & equipment		-1,168	-3,341
Investment in intangible assets		-12,710	-14,703
<b>Cash flow from investing activities</b>		<b>-13,878</b>	<b>-18,044</b>
<b>Financing activities</b>			
Premiums deposited on issuance of share warrants		363	750
Exercise of warrants		0	2,621
Dividends paid to equity holders of the parent		-77,579	-68,750
Borrowings		149,829	150,163
<b>Cash flow from financing activities</b>		<b>72,613</b>	<b>84,784</b>
<b>Cash flow for the year</b>		<b>90,207</b>	<b>-62,641</b>
Cash and cash equivalents at beginning of year		48,630	112,202
Exchange rate difference		-892	-931
<b>Cash and cash equivalents at end of year</b>		<b>137,945</b>	<b>48,630</b>

## Income Statement for the Parent Company

SEK 000	Note	Full year 2018	Full year 2017
<b>Operating income</b>			
Net sales		8,922,154	7,469,700
Other operating income	4	25,082	18,891
<b>Total operating income</b>		<b>8,947,236</b>	<b>7,488,591</b>
<b>Operating expenses</b>			
Cost of consultants on assignment		-8,569,553	-7,168,311
Work performed by the Company for its own use and capitalised		12,473	14,076
Other external expenses	6, 2l	-101,271	-94,271
Personnel expenses	5	-180,670	-148,298
Depreciation, amortisation and impairment of tangible and intangible assets	10, 1l	-5,219	-1,061
<b>Total operating expenses</b>		<b>-8,844,240</b>	<b>-7,397,865</b>
<b>Earnings before interest and taxes</b>	3	<b>102,996</b>	<b>90,726</b>
<b>Profit from financial items</b>			
Other interest income and similar income statement items	7	1,362	2,841
Interest costs and similar income statement items		-5,101	-1,284
<b>Profit after financial items</b>		<b>99,257</b>	<b>92,283</b>
Tax	8	-22,268	-20,897
<b>Profit for the year*</b>		<b>76,989</b>	<b>71,386</b>

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

## Balance Sheet for the Parent Company

SEK 000	Note	December 31, 2018	December 31, 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	10	32,882	24,380
Property, plant and equipment	11	3,530	3,557
<b>Financial assets</b>			
Other non-current receivables	13	1,182	4,380
Participations in Group companies	24	22,084	22,084
<b>Total financial assets</b>		<b>23,266</b>	<b>26,464</b>
<b>Total non-current assets</b>		<b>59,678</b>	<b>54,401</b>
<b>Current assets</b>			
Accounts receivable	12	2,561,357	2,214,975
Receivables from Group companies		107,316	47,467
Other receivables	13	90	415
Prepaid expenses and accrued income	14	54,154	26,083
Cash and bank balances		51,435	35,105
<b>Total current assets</b>		<b>2,774,352</b>	<b>2,324,045</b>
<b>Total assets</b>		<b>2,834,030</b>	<b>2,378,446</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
<b>Restricted equity</b>			
Share capital (17,239,675 shares, quota value SEK 0.13)		2,241	2,241
Statutory reserve		6,355	6,355
Development expenditure reserve		32,174	23,629
<b>Total restricted equity</b>		<b>40,770</b>	<b>32,225</b>
<b>Non-restricted equity</b>			
Share premium reserve		40,848	46,678
Retained earnings		-30,855	-22,310
Profit for the year		76,989	71,386
<b>Total non-restricted equity</b>		<b>86,982</b>	<b>95,754</b>
<b>Total equity</b>		<b>127,752</b>	<b>127,979</b>
<b>Current liabilities</b>			
Liabilities to credit institutions	16	350,000	200,171
Accounts payable		2,280,246	2,006,039
Tax liabilities		4,889	3,128
Liabilities to Group companies		15,285	0
Other liabilities	17	22,142	22,602
Accrued expenses and deferred income	18	33,716	18,527
<b>Total current liabilities</b>		<b>2,706,278</b>	<b>2,250,467</b>
<b>Total equity and liabilities</b>		<b>2,834,030</b>	<b>2,378,446</b>



## Statement of Changes in Equity for the Parent Company

SEK 000	Restricted equity			Non-restricted equity			Total equity
	Share capital	Statutory reserve	Development expenditure reserve	Share premium reserve	Retained earnings	Profit for the year	
<b>Opening equity, January 1, 2017</b>	<b>2,234</b>	<b>6,355</b>	<b>9,554</b>	<b>49,950</b>	<b>-8,235</b>	<b>62,114</b>	<b>121,972</b>
<b>Comprehensive income for the year</b>							
Profit for the year*						71,386	71,386
Appropriation of profits					62,114	-62,114	0
Provision to development fund			14,075		-14,075		0
Dividends				-6,636	-62,114		-68,750
Premiums deposited on issuance of share warrants				750			750
Warrants exercised by staff	7			2,614			2,621
<b>Closing equity, December 31, 2017</b>	<b>2,241</b>	<b>6,355</b>	<b>23,629</b>	<b>46,678</b>	<b>-22,310</b>	<b>71,386</b>	<b>127,979</b>
<b>Opening equity, January 1, 2018</b>	<b>2,241</b>	<b>6,355</b>	<b>23,629</b>	<b>46,678</b>	<b>-22,310</b>	<b>71,386</b>	<b>127,979</b>
<b>Comprehensive income for the year</b>							
Profit for the year*						76,989	76,989
Appropriation of profits					71,386	-71,386	0
Provision to development fund			12,473		-12,473		0
Amortization of development fund			-3,928		3,928		0
Dividends				-6,193	-71,386		-77,579
Premiums deposited on issuance of share warrants				363			363
<b>Closing equity, December 31, 2018</b>	<b>2,241</b>	<b>6,355</b>	<b>32,174</b>	<b>40,848</b>	<b>-30,855</b>	<b>76,989</b>	<b>127,752</b>

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

## Cash Flow Statement for the Parent Company

SEK 000	Note	Full year 2018	Full year 2017
<b>Operating activities</b>	25		
Profit after financial items		99,257	92,283
Adjustment for items not included in cash flow		5,219	1,061
Income tax paid		-22,930	-19,416
		<b>81,546</b>	<b>73,928</b>
Increase (-)/decrease (+) in operating receivables		-430,779	-447,845
Increase (+)/decrease (-) in operating liabilities		306,644	279,375
<b>Cash flow from operating activities</b>		<b>-42,589</b>	<b>-94,542</b>
<b>Investing activities</b>			
Acquisition of property, plant & equipment		-984	-1,538
Investment in intangible assets		-12,710	-14,703
<b>Cash flow from investing activities</b>		<b>-13,694</b>	<b>-16,241</b>
<b>Financing activities</b>			
Premiums deposited on issuance of share warrants		363	750
Warrants exercised by staff		0	2,621
Dividend paid to equity holders of the parent		-77,579	-68,750
Borrowings		149,829	150,163
<b>Cash flow from financing activities</b>		<b>72,613</b>	<b>84,784</b>
<b>Cash flow for the year</b>		<b>16,330</b>	<b>-25,999</b>
Cash and cash equivalents at beginning of year		35,105	61,104
<b>Cash and cash equivalents at end of year</b>		<b>51,435</b>	<b>35,105</b>

# Accounting policies and notes

## Note 1 Significant accounting policies

### (a) Compliance with standards and laws

The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as endorsed by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has been applied.

The Parent Company applies the same accounting policies as the Group except in the cases listed below under "Parent Company accounting policies".

The annual accounts and consolidated accounts were approved for issue by the Board on March 26, 2019. The Consolidated Statement of Comprehensive Income, Statement of Financial Position and the Parent Company Income Statement and Parent Company Balance Sheet will be subject to the approval of the AGM on May 5, 2019.

### Share-based payment

A warrant program enables employees to acquire shares of the Company. The fair value of the cash-settled options is computed using the Black-Scholes model, and considers the granted instruments' terms, conditions and circumstances.

### Judgements and estimates in the financial statements

The preparation of financial statements in accordance with IFRS requires management make judgements and estimates, and to make assumptions that affect the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and judgements.

The estimates and assumptions are reviewed on a regular basis. Changes in estimates are recognised in the period the change is made if the change only affects that period, or the period the change is made and future periods if the change affects both the current and future periods.

Estimates made by Management in the application of IFRS that have a significant impact on the financial statements and estimates made that could lead to material restatements in future financial statements for the year are described in more detail in Note 27.

### (b) Valuation methods used when preparing the financial statements

Assets and liabilities are recognised at historical cost.

### (c) Functional and presentation currency

The Parent Company's functional currency is Swedish krona, which is also the presentation currency for the Parent Company and for the Group. This means that the financial statements are presented in Swedish kronor (SEK). All amounts, unless otherwise indicated, are rounded to the nearest thousand.

### (d) Significant accounting policies applied

Apart from the exceptions stated in more detail, the accounting policies specified below have been applied consistently to all periods presented in the consolidated financial statements. Moreover, the Group's accounting policies have been consistently applied by Group companies.

### (e) Application of new and amended accounting standards

**IFRS 9 Financial Instruments** replaces IAS 39 Financial Instruments: Recognition and Measurement from 2018 onwards. Compared to IAS 39, IFRS 9 implies changes in respect of the classification and measurement of financial assets and financial liabilities, impairment of financial assets and hedge accounting. Because the Group only has financial assets and liabilities in the form of cash and cash equivalents, accounts receivable, accounts payable and liabilities to credit institutions, the Group is not affected by changes in respect of classification and measurement. In respect of impairment, IFRS 9 means loss reserves are made for expected bad debt, which is different to IAS 39, which only requires a loss reserve to be made when an event that means the Group considers that the counterparty may not be able to pay the whole receivable has occurred. Historically, Ework's bad debt in operating activities has been insignificant. Accordingly, the introduction of IFRS 9 only implies an insignificant increase in the Group's reserves for credit losses.

**IFRS 15 Revenue** from Contracts with Customers came into effect on January 1, 2018, and replaces IAS 18 Revenue and IAS 11 Construction Contracts. According to IFRS 15, revenue should be recognised when

the customer gains control over the sold good or service, and is able to use and receive benefits from the good or service, while pursuant to IAS 18, revenue is recognised on the transfer of risks and rewards. Services are a series of essentially equivalent services delivered in an equivalent manner based on an agreement between Ework and the client, through the relevant delivery contract combined with the associated framework agreement. The degree of satisfaction of performance obligations is measured in the same manner, i.e. in the number of consulting man-hours spent for the client. Although services may differ internally, based on agreements, there is normally no difference in sub-categories of service apart from hourly rates that may vary between different consultants. Services are rendered and consumed in the same way over time. Every man-hour spent is a stage in the satisfaction of a performance obligation to deliver consultant man-hours continuously. Accordingly, work performed is recognised as revenue on a continuous basis in accordance with an agreed pricelist as man-hours are demanded and spent for the client pursuant to each delivery contract. Transaction prices are dependent on the number of delivered man-hours during the contract period and hourly rate pursuant to the pricelist agreed in the framework agreement, or the pricing level agreed in the delivery contract. There is no variable compensation. Invoicing is in arrears based on man-hours spent, and usually subject to the requirements of the client's approval of the man-hours consultants report to the client's timesheet system. Because the delivery of man-hours x hourly rate pursuant to the delivery pricelist is uncomplicated to measure, Ework is very likely to be paid. This Standard did not have any impact on the Group's results of operations and financial position. Ework's sales of consultant man-hours will still be recognised as revenue over time.

### (f) New IFRS and interpretations

Only those IFRS and interpretations currently considered to be relevant to the consolidated accounts are reviewed below.

IFRS and interpretations to be applied in 2019 or later have not been applied prospectively for the preparation of these financial statements. Only amendments that are judged to have an impact on the Group in future are reviewed below.

**IFRS 16 Leases** replaces IAS 17 Leases effective January 1, 2019. The classification between operating and finance leasing in according to IAS 17 is being removed for the lessee, and replaced with a model where assets and liabilities for all lease arrangements are recognized in the Balance Sheet as rights of use of the leased asset and liability corresponding to the obligation to make future lease payments. The exception for recognition in the Balance Sheet is for lease arrangements of low value, and contracts that have a maximum term of 12 months. Depreciation should be recognized separately from interest expenses relating to the lease liability in the Income Statement. Ework has decided not to adopt IFRS 16 prospectively. The Group has not yet conducted a detailed analysis of the effects of IFRS 16.

Ework is adopting the modified retrospective approach and the main impact on Ework's accounting relates to the recognition of lease contracts on premises. The opening effect on the Consolidated Balance Sheet as of January 1, 2019, is that a lease asset (right of use) and lease liability respectively are additional, of 58 MSEK each.

### (g) Classification, etc.

Non-current assets consist of amounts that are expected to be recovered or paid after more than twelve months from the reporting date. Non-current liabilities consist of amounts that do not become due for payment until after more than 12 months from the reporting date, and other amounts for which the Company has an unconditional right to defer payment to a date that is more than 12 months after the reporting date. Other assets and liabilities are recognised as current assets and current liabilities.

### (h) Operating segment reporting

An operating segment is a part of the Group that conducts business from which it can generate revenues and incur expenses, and for which separate financial information is available. An operating segment's results are also followed up by the Company's chief operating decision-maker to evaluate the results and to allocate resources to the operating segment. See note 3, for further description of the division and the presentation of operating segments.



**(i) Principles of consolidation***(i) Subsidiaries*

Controlling influence is defined as an influence by Parent Company over the object of investment, is exposed to or has a right to receive variable returns on its investment and is able to utilise its influence over the investment to affect the return. When assessing whether there is a controlling influence, consideration is given to potential shares providing entitlement to vote and whether de facto control applies.

Subsidiaries are reported in accordance with the acquisition method. This method means that the acquisition of a subsidiary is treated as a transaction in which the Group indirectly acquires the assets of the subsidiary and takes over its liabilities and contingent liabilities. The cost to the Group is determined through an acquisition analysis in connection with the business combination. The analysis firstly determines the cost of the shares or the business, and secondly the fair value on the day of acquisition of identifiable assets and the liabilities taken over and contingent liabilities. The cost of acquisition of the shares in the subsidiaries and entity as the case may be, is measured as the total of the fair values of the assets paid on the date of acquisition, liabilities incurred or taken over and equity instruments issued as consideration in exchange for the acquired net assets. Transaction expenses attributable to business combinations until 2009 inclusive are included in cost, while transaction expenses attributable to business combinations from 2010 onwards are recognised in net profit or loss. In business combinations where the cost exceeds the fair value of the acquired assets and liabilities taken over, as well as contingent liabilities that are recognised separately, the difference is recognised as goodwill. When the difference is negative, this is recognised directly in profit or loss.

Subsidiaries' financial statements are included in the consolidated accounts from and including the date of acquisition until the date where the controlling influence ceases.

*(ii) Transactions eliminated on consolidation*

Intragroup receivables and liabilities, revenues or expenses and unrealised gains or losses arising from intragroup transactions between Group companies are eliminated in full when preparing the consolidated accounts. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent there is no impairment.

**(j) Foreign currency***(i) Foreign currency transactions*

Transactions in foreign currency are translated to the functional currency using the rate of exchange ruling on the transaction date. The functional currency is the currency in the primary economic environments in which the companies conduct their operations. Monetary assets and liabilities denominated in foreign currency are translated to the functional currency using the rate of exchange ruling on the reporting date. Exchange rate differences arising on translation are recognised in profit or loss. Non-monetary assets and liabilities recognised at historical cost are translated using the rate of exchange ruling on the transaction date. Non-monetary assets and liabilities recognised at fair value are translated to the functional currency at the rate of exchange ruling on the date of fair value measurement.

*(ii) Foreign operations' financial statements*

Assets and liabilities in foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the foreign operation's functional currency to the Group's presentation currency, Swedish krona, at the rate of exchange ruling on the reporting date. Income and expenses in a foreign operation are translated to Swedish kronor at an average rate that represents an approximation of the rates of exchange ruling on the dates of each transaction. Translation differences arising on currency translation of foreign operations are recognised in other comprehensive income and accumulated in a separate component in equity, referred to as a translation reserve. When a foreign operation is disposed of or sold, the accumulated translation differences attributable to the operation are reclassified from the translation reserve in equity to profit or loss. The Company has opted to value accumulated translation differences attributable to foreign operations at zero at the time of adoption of IFRS.

**(k) Income from the sale of services**

Ework's business consists of leasing consultants, is relatively uncomplicated and very largely centrally controlled in respect of preparing agreements with clients and accounting. Ework sells consulting man-hours on open account as principal, where the number of man-hours are managed via timesheet systems, and pricing per hour is determined in framework agreements and delivery contracts. Sales are recognised in the period services are rendered. Revenues are recognised at the fair value of what is received, or are expected to be received, less deductions for volume and price discounting.

**(l) Leases***Operating leases*

Lease arrangements are classified either as finance or operating leases. Finance leases exist when the economic risks and rewards associated with ownership have been essentially transferred to the lessee. When this is not the case, the arrangement is an operating lease. The Company only has operating leases. Operating lease payments are expensed in the periods when they occur.

**(m) Financial income and expenses**

Financial income consists of interest income on invested funds and dividend income.

Interest income on financial instruments is recognized according to the effective interest method (see below). Income from dividends is recognised when the right to receive payment is established. The gain from a disposal of a financial instrument is recognised when the risks and rewards associated with ownership of the instrument are transferred to the purchaser and the Group no longer exercises control over the instrument.

Financial expenses consist of interest costs on borrowings and impairment of financial assets. Interest costs are recognised in profit or loss using the effective interest method irrespective of how the borrowed funds have been deployed.

The effective interest rate is the interest rate that discounts the estimated future incoming and outgoing payments during a financial instrument's expected term to the net carrying amount of the financial asset or liability. The measurement includes all fees paid or received by the contracting parties that are a part of the effective interest rate, transaction costs and all other premiums and discounts.

Exchange gains and exchange losses are recognised net.

**(n) Taxes**

Income taxes comprise current tax and deferred tax. Income taxes are recognised in net profit for the year except when underlying transactions are recognised in other comprehensive income or in equity, whereupon the associated tax effect is recognised in other comprehensive income or in equity.

Current tax is tax to be paid or received in respect of the current year, using the tax rates that have been enacted or substantively enacted on the reporting date. Adjustments of current tax attributable to prior periods are also part of current tax.

Deferred tax is calculated in accordance with the balance sheet liability method starting with temporary differences between the recognised and taxable values of assets and liabilities.

Temporary differences are not taken into consideration in goodwill on consolidation for differences arising on first-time reporting of goodwill nor on the initial recognition of assets and liabilities that are not business combinations and which at the transaction date did not affect reported or taxable profit or loss. Furthermore, temporary differences are not taken into consideration that are attributable to participations in subsidiaries that are not expected to be reversed within the foreseeable future. The measurement of deferred tax is based on how the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated by applying the tax rates and regulations that are enacted or substantively enacted on the reporting date.

Deferred tax assets for deductible temporary differences and tax loss carry-forwards are recognised only to the extent it is likely that these will be utilised. The value of deferred tax assets is reduced when it is no longer considered likely that they can be utilised.

Any additional income tax arising on dividends is recognized at the same time as when the dividend is recognized as a liability.

#### **(o) Financial instruments**

Financial instruments recognized on the assets side of the Statement of Financial Position include cash and cash equivalents and accounts receivable. Accounts payable and liabilities to credit institutions are recognized on the liabilities side.

##### *(i) Recognition and de-recognition from the Statement of Financial Position*

A financial asset or liability is recognised in the Statement of Financial Position when the Company becomes a party to the instrument's contractual terms. A claim is recognized when the Company has performed and there is a contractual obligation to pay, even if the invoice has not yet been sent. Accounts receivable are recognised in the Statement of Financial Position when the invoice has been sent. Liabilities are recognised when the counterparty has performed and there is a contractual obligation to pay, even if the invoice has not been received. Accounts payable are recognised when the counterparty has fulfilled its obligation to submit a time sheet. The Group has chosen this method in order for accounts payable and accounts receivable to match.

A financial asset is de-recognised from the Statement of Financial Position when the contractual rights are realised, expire or the Company loses control over them. The same applies to a part of a financial asset. A financial liability is de-recognised from the Statement of Financial Position when the contractual liability is discharged or otherwise expires. The same applies to a part of a financial liability.

A financial asset and a financial liability are offset and recognised as a net amount in the Statement of Financial Position only when there is a legal offset right and there is an intention to settle the items with a net amount or to simultaneously realise the asset and settle the liability. Purchases and sales of financial assets are recognised on the transaction date, which is the day the Company commits to purchase or sell the asset.

Financial instruments are initially recognised at acquisition cost, which corresponds to the instrument's fair value with allowance for transaction expenses. A financial instrument is classified on initial recognition on factors including the purpose for which the instrument was purchased. The classification determines how the financial instrument is measured after the initial reporting date, as described below.

##### *(ii) Classification and measurement*

Cash and cash equivalents consist of cash in hand and immediately available balances at banks and similar institutions. Blocked funds and deposits that the Company does not have right of disposal over are classified as non-current receivables.

Loan receivables and accounts receivable are non-derivative financial assets that have payments that are fixed or can be fixed, and that are not listed in an active market. These assets are measured at amortised cost. Amortised cost is determined using the effective interest rate calculated on the date of acquisition. Accounts receivable are recognised at the amount which is expected to be received, i.e. less doubtful debt.

##### *(iii) Other financial liabilities*

Borrowings and other financial liabilities, e.g. accounts payable, are included in this category. The liabilities are measured at amortised cost.

Which category the Group's financial assets and liabilities belong to is stated above.

#### **(p) Property, plant and equipment**

##### *(i) Owned assets*

Property, plant and equipment are recognised at acquisition cost in the Group less accumulated depreciation and impairment losses. The cost includes the purchase price and expenses directly attributable to the asset in order to bring it to the location and condition for use in accordance with the purpose of the acquisition. Accounting policies for impairment losses are described below.

The carrying amount of an item of property, plant and equipment is removed from the Statement of Financial Position on retirement or disposal or when no future economic rewards can be expected from use or retirement/disposal of the asset. Gains or losses arising on the disposal or retirement of an asset are the difference between the selling price and the asset's carrying amount, net of direct selling costs. Gains and losses are recognised as other operating income/expenses.

##### *(ii) Additional expenditure*

Additional expenditure is added to cost only if it is probable that the future economic rewards associated with the asset will flow to the Company and the cost can be measured reliably. All other subsequent expenditure is recognised as a cost in the period it arises.

##### *(iii) Depreciation methods*

Depreciation is on a straight-line basis over the estimated useful life of the asset.

The estimated useful life of equipment, tools, fixtures and fittings is 5 years.

Depreciation methods used, residual values, and useful lives are reviewed at the end of each year.

#### **(q) Intangible assets**

##### *(i) Intangible assets*

Expenditure for research intended to secure new scientific or technological knowledge is recognised as an expense as it arises. Expenditure for development where research results or other knowledge are applied to achieve improved products or processes, is recognised as an asset in the Statement of Financial Position if the product or process is technically and commercially viable, and the Company has sufficient resources to complete development, and subsequently use or sell the intangible asset. The carrying amount includes all directly related expenditure: e.g. for materials and services, employee benefits, registration of a legal right, amortisation of patents and licenses, and loan expenditure pursuant to IAS 23. Other expenditure for development is recognised in profit or loss as an expense as it arises. Development expenditure is recognised in the Statement of Financial Position at cost less accumulated amortization and potential impairment.

##### *(ii) Additional expenditure*

Additional expenditure for capitalised intangible assets are recognised as an asset in the Statement of Financial Position only when they increase the future economic rewards for the specific asset to which they relate. All other costs are expensed as they arise.

##### *(iii) Amortisation methods*

Amortisation is recognised in net profit for the year on a straight-line basis over the estimated useful lives of the intangible assets, providing such useful lives are not definite. The useful lives are reviewed at least on an annual basis. Goodwill and other intangible assets with an indefinite useful life or which are not yet ready for use are impairment tested annually and as soon as indications arise suggesting that the asset's value has declined. Intangible assets with definite useful lives are amortised from the date when they are available for use. The estimated useful life for software and related capitalized work is 5 years. The useful lives are reviewed every year.

#### **(r) Impairment**

The Group's recognised assets are assessed on each reporting date in order to determine whether there is an indication of impairment. IAS 36 is applied in respect of impairment of other assets than financial assets, which are recognised according to IAS 39. For deferred tax receivables, the carrying amounts are estimated according to IAS 12.

##### *(i) Impairment*

The Company assesses whether there is objective evidence that a financial asset or group of assets is impaired when preparing each set of financial statements. Objective evidence consists partly of observable circumstances that occurred and which have a negative impact on the possibility to recover the cost, and partly of a significant or permanent reduction in the fair value of a financial investment classified as a financial asset held for sale.

If there are indications of impairment for a non-current asset, the asset's recoverable amount is measured. The recoverable amount is the greater of net realisable value and value in use. The value in use is an estimate of future cash flow discounted by a rate of interest that considers the risk of the specific asset. If the value in use is less than the carrying amount, an impairment is made to the recoverable amount which is charged to the Income Statement.

*(ii) Reversal of impairment losses*

An impairment of assets included within the scope of IAS 36 is reversed if there is an indication that an impairment need no longer exists and a change has occurred in the assumptions that provided the basis for the measurement of the recoverable amount. A reversal is only made to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less amortisation where appropriate, if no impairment had been made.

**(s) Payment of capital to shareholders***(i) Repurchase of treasury shares*

Purchases of treasury shares are reported as a deduction from equity. Settlement from the sale of such equity instruments are reported as an increase in equity. Potential transaction costs are charged directly to equity.

*(ii) Dividends*

Dividends are recognised as a liability after the AGM has approved the dividend.

**(t) Earnings per share**

The calculation of earnings per share is based on the Group's profit or loss for the year attributable to equity holders of the parent and on the weighted average number of shares in issue during the year. In the calculation of earnings per share after dilution, profit or loss and the average number of shares are adjusted to take account of the effect of dilutive potential ordinary shares, which arise from warrants granted to employees, during the presented periods. Dilution from warrants is based on a calculation of how many shares that hypothetically could have been purchased in the period at the exercise price, and the value of remaining positions in accordance with IFRS 2 Share-based payment. The shares that could not have been purchased result in dilution. The number of warrants, and thereby shares, that could be vested if the level of satisfaction of the vesting conditions in place at the end of the current period could also apply at the end of the vesting period are also included. Potential ordinary shares are viewed as dilutive only during periods when they result in lower earnings or a greater loss per share.

**(u) Employee benefits***(i) Defined contribution pension plans*

The pension plans where the Company's obligations are limited to the contributions that the Company has undertaken to pay are classified as defined contribution pension plans. In such cases the size of the employee's pension depends on the contributions that the Company pays to the plan or to an insurance company and the return on capital that the contributions generate. Consequently, it is the employee who bears the actuarial risk (that the payments will be lower than expected) and the investment risk (that the invested assets will be insufficient to provide the expected benefits). The Company's obligations in respect of defined contribution plans are recognised as an expense in profit or loss for the year as employees render services to the Company in a period. There are no defined benefit plans.

*(ii) Short-term benefits*

Short-term benefits are measured without discounting and recognised as a cost when the related services are received.

A provision is recognised for the expected cost of bonus payments when the Group has a current legal or informal obligation to make such payments as a result of services received from employees and the obligation can be measured reliably.

**(v) Share-based payment**

A warrant program enables employees to acquire shares of the Company. The fair value of the cash-settled options is computed using the Black-Scholes model, and considers the granted instruments' terms, conditions and circumstances.

**(x) Contingent liabilities**

Disclosures on contingent liabilities are made when there is a possible obligation originating from events that have occurred, and whose occurrence can only be corroborated by one or more uncertain future events outside the Group's control, or when there is an obligation not recognised as a liability or provision due to it being unlikely that an outflow of resources will be necessary, or that cannot be measured reliably.

**Parent Company accounting policies**

The Parent Company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act. (1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. Statements issued by the Swedish Financial Reporting Board for listed companies are also applied. RFR 2 means that the Parent Company in the annual accounts for the legal entity must apply all EU-endorsed IFRS and statements whenever possible within the auspices of the Swedish Annual Accounts Act, the Swedish Pension Obligations Vesting Act and taking into account the relationship between accounting and taxation. The recommendation states which exemptions from and additions to IFRS should be observed.

**Differences between the Group's and Parent Company's accounting policies**

Differences between the Group's and Parent Company's accounting policies are stated below. The accounting policies of the Parent Company stated below have been applied consistently to all periods presented in the Parent Company's financial statements.

*(i) Changed accounting policies*

The Parent Company's accounting policies are unchanged from the annual accounts for 2017.

The same policies apply to the Parent Company and the Group regarding how disclosures on changed accounting policies (IAS 8.28-31) are presented; see above under the Group's changed accounting policies. However, note that this section on the Parent Company deals only with differences against the Group, which means that the amendments stated here are only those that affect the Parent Company only.

*IFRS and interpretation statements to be applied in 2019 or later*

IFRS 16 Leases will not impact on the Parent Company's financial statements, because for tax reasons, RFR 2 permits exemption of application of this standard to legal entities. Otherwise, refer to the statements in section (f) above regarding the consolidated accounts, which are consistent with the Parent Company's accounts with the exception of the matter of IFRS 16.

*(ii) Classification and presentation methods*

The Parent Company's Income Statement and Balance Sheet are prepared in accordance with the Swedish Annual Accounts Act's schedule. These statements differ from the terminology, formats and classifications in IAS 1.

*(iii) Subsidiaries*

Participations in subsidiaries are recognised in the Parent Company according to the cost method. This means that transaction expenses are included in the carrying amount of holdings in subsidiaries.

In the consolidated accounts, transaction expenses are recognized directly in profit or loss as they arise.

**Shareholders' contributions for legal entities**

Shareholders' contributions are carried directly against the equity of the recipient and capitalised in shares and participations of the issuer, to the extent that impairment is not required.

**Note 2 Division of income**

Net sales reported in the Group and Parent Company are sales of services. For division by country, see note 3. The division of other income is in note 4.

### Note 3 Segment reporting

The Group's operations are divided into operating segments based on the parts of operations monitored by the Company's chief operating decision-maker, known as the management approach

The Group's operations are organised so that Group management monitors the results of operations, returns and cash flow generated by the different companies of the Group. Each operating segment has a manager that is responsible for operations and who regularly reports the outcome of the operating segment's performance and the need for resources to Group management. The operation in Poland is reported under the Sweden segment for the present.

#### The Group's operating segments

SEK 000	Sweden		Finland		Denmark		Norway		Total consolidated	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Income from customers	9,117,684	7,612,701	535,780	527,475	481,412	643,513	900,737	719,321	11,035,613	9,503,010
Segment's profit or loss	173,284	154,698	3,871	5,949	3,050	14,982	11,386	16,247	191,591	191,876
Group-wide expenses	-71,575	-67,856	-3,660	-5,807	-2,936	-5,666	-6,889	-6,275	-85,060	-85,604
<b>EBIT</b>	<b>101,709</b>	<b>86,842</b>	<b>211</b>	<b>142</b>	<b>114</b>	<b>9,316</b>	<b>4,497</b>	<b>9,972</b>	<b>106,531</b>	<b>106,272</b>
Financial items, net	-	-	-	-	-	-	-	-	-4,818	-698
<b>Profit after financial items</b>									<b>101,713</b>	<b>105,574</b>

The segments are the same as the operations and conduct sales of consultants.

The operating segments' results of operations, assets and liabilities include directly attributable items and other items have been allocated to segments in a reasonable and reliable manner. The recognised items in the operating segments' results of operations, assets and liabilities are measured in accordance with the results of operations assets and liabilities monitored by the Company's chief operating decision-maker and conform to the Group's definitions.

Internal pricing between the Group's various operating segments are based on the arm's-length principle, i.e. between parties that are mutually independent, well-informed and with an interest in the transactions being executed.

#### Information on major clients

In 2018, the Company generated income from a group totalling SEK 702,689,000. These revenues are recognised in the Sweden and Denmark operating segments.

### Note 4 Other operating income

SEK 000	Group		Parent Company	
	2018	2017	2018	2017
Management fee	0	0	25,066	18,891
Insurance claim	67	4	16	0
Other	0	108	0	0
	<b>67</b>	<b>112</b>	<b>25,082</b>	<b>18,891</b>



## Note 5 Employees, personnel expenses and remuneration to senior managers

### Costs of employee benefits

SEK 000	2018	2017
<b>Group</b>		
Salaries and benefits, etc.	172,857	140,687
Pension costs, defined contribution plans	15,653	13,621
Social security contributions	44,820	37,021
	<b>233,330</b>	<b>191,329</b>

### Average number of employees

	2018	of which men	2017	of which men
<b>Parent Company</b>				
Sweden	212	86	176	66
<b>Total, Parent Company</b>	<b>212</b>	<b>86</b>	<b>176</b>	<b>66</b>
<b>Subsidiaries</b>				
Finland	15	4	13	5
Denmark	18	5	19	6
Norway	22	8	16	8
Poland	30	12	22	10
<b>Total, subsidiaries</b>	<b>85</b>	<b>29</b>	<b>70</b>	<b>29</b>
<b>Group total</b>	<b>297</b>	<b>115</b>	<b>246</b>	<b>95</b>

### Gender division in management

%	Share of women	
	Dec. 31, 2018	Dec. 31, 2017
<b>Parent Company</b>		
Board of Directors	28.6	28.6
Other senior managers	42.9	42.9
<b>Group total</b>		
Board of Directors	28.6	28.6
Other senior managers	33.3	33.3

### Salaries and other benefits allocated between senior managers and other employees, as well as social security contributions, Parent Company

SEK 000	2018			2017		
	Senior managers (7 people)	Other employees	Total	Senior managers (7 people)	Other employees	Total
Salaries and other benefits	13,778	101,206	114,984	13,304	81,755	95,059
(of which bonus, etc.)	3,276	16,198	19,474	3,478	13,871	17,349
Social Security contributions	8,021	43,973	51,994	7,632	35,926	43,558
(of which pension costs)	2,971	9,375	12,346	2,778	7,543	10,321

### Salaries, other benefits and pension costs for senior managers, Group

SEK 000	2018 Ledande Senior managers (12 people)	2017 Senior managers (11 people)
Salaries and other benefits	22 882	21 087
(of which bonus, etc.)	5 705	5 747
Pension costs	3 925	3 444

### The AGM 2018 resolved on the following guidelines for remunerating senior managers:

The senior managers of the Company are the Chief Executive Officer and other senior managers. Other senior managers are defined as the executive management team plus the CEO. For information on the composition of the executive management team, see page 18. Senior managers should be offered market-based overall compensation packages that ensure the right person can be hired and retained. Salaries should reflect individual responsibilities and experience. Remuneration should consist of basic compensation (monthly salary), variable remuneration, other benefits and pension. The bonus of the Chief Executive Officer will be determined annually by the Board. A bonus not exceeding 2.00% of the Company's profit before tax has been approved for the Chief Executive Officer, and for the Executive Vice President, a bonus not exceeding 1.50% of the Company's profit before tax has been approved. The total bonus for the Chief Executive Officer and Executive Vice President is a combined maximum of SEK 3.6 M. For other senior managers, variable remuneration is subject to a ceiling of 100% of basic salary. Variable remuneration is based on the outcomes of individual targets. Pension benefits and remuneration in the form of financial instruments etc. and other benefits to the Chief Executive Officer and other senior managers are payable as a part of total remuneration. In the event of termination by the Company, the Chief Executive Officer will be entitled to full salary and obligations in respect of occupational pension insurance for a six-month period. In the event of termination by the Chief Executive Officer, similar provisions apply for six months. Remuneration to other senior managers is determined by the Chief Executive Officer. The notice period for other senior managers varies between three and six months. Remuneration is paid during the notice period. Employees not covered by LAS (the Security of Employment Act) or equivalent are entitled to up to 12 months' redundancy payment in addition to the notice period above.

Continue Note 5 >

## Salaries and other benefits for senior managers, Parent Company

SEK 000	2018				2017			
	Basic salary, Directors' fee	Variable remuneration	Pension cost	Total	Basic salary, Directors' fee	Variable remuneration	Pension cost	Total
<b>Chairman of the Board Staffan Salén</b>								
Remuneration from Parent Company	309	0	0	309	306	0	0	306
<b>Other members of the Board (all members receive the same remuneration)</b>								
Remuneration from Parent Company	927	0	0	927	911	0	0	911
<b>CEO Zoran Covic</b>								
Remuneration from Parent Company	2,676	408	480	3,564	2,468	854	500	3,822
<b>EVP Magnus Eriksson</b>								
Remuneration from Parent Company	2,414	1,070	925	4,409	2,303	1,068	892	4,263
<b>Other senior managers (5 people)</b>								
Remuneration from Parent Company	5,412	1,799	1,565	8,776	5,055	1,556	1,386	7,997

\* Magnus Berglind, Dan Berlin, Johan Qviberg, Mernosh Saatchi, Anna Storåkers and Erik Åfors.

## Note 6 Fees and reimbursement of auditors

SEK 000	Group		Parent Company	
	2018	2017	2018	2017
<b>KPMG</b>				
Auditing	742	806	550	630
Tax consultancy	48	0	0	0
Other	175	487	113	401
<b>Nexia OY</b>				
Auditing	87	46	0	0
Other	0	7	0	0

Auditing means reviewing the annual accounts and accounting records, and the Board of Directors' and CEO's administration, other duties incumbent on the Company's auditors, and consultancy and other assistance resulting from observations from this type of review or the performance of other similar duties.

## Note 7 Net financial items

Group		
SEK 000	2018	2017
Interest income	107	50
Net exchange rate fluctuations	195	617
<b>Financial income</b>	<b>302</b>	<b>667</b>
Other interest costs	-5,120	-1,365
<b>Financial expenses</b>	<b>-5,120</b>	<b>-1,365</b>
<b>Net financial items</b>	<b>-4,818</b>	<b>-698</b>
Parent Company		
SEK 000	2018	2017
Interest income, Group companies	1,118	722
Interest income, other	0	35
Net exchange rate fluctuations	244	2,084
<b>Financial income</b>	<b>1,362</b>	<b>2,841</b>
Other interest costs	-5,101	-1,284
<b>Financial expenses</b>	<b>-5,101</b>	<b>-1,284</b>
<b>Net financial items</b>	<b>-3,739</b>	<b>1,557</b>

## Note 8 Tax

SEK 000	Group		Parent Company	
	2018	2017	2018	2017
Current tax on profit or loss for the year	22,821	25,464	22,268	20,897
<b>Total reported tax expense</b>	<b>22,821</b>	<b>25,464</b>	<b>22,268</b>	<b>20,897</b>

### Reconciliation of effective tax, Group

	2018		2017	
	%	SEK 000	%	SEK 000
Profit before tax		101,713		105,574
Weighted average of tax rates	22.5	22,932	23.2	24,857
Non-deductible expenses	0.6	544	0.6	657
Utilisation of previously un-utilised loss carry-forwards	-0.7	-740	0.0	0
Other	-0.1	85	-0.1	-50
<b>Reported effective tax</b>	<b>22.4</b>	<b>22,821</b>	<b>23.8</b>	<b>25,464</b>

### Reconciliation of effective tax, Parent Company

	2018		2017	
	%	SEK 000	%	SEK 000
Profit before tax		99,257		92,282
Tax at applicable tax rate for the Parent Company	22.0	21,837	22.0	20,303
Non-deductible expenses	0.5	469	0.6	593
Other	0.0	-38	0.0	1
<b>Reported effective tax</b>	<b>22.5</b>	<b>22,268</b>	<b>22.6</b>	<b>20,897</b>

## Note 9 Earnings per share

### Earnings per share for overall operations

SEK	Before dilution		After dilution	
	2018	2017	2018	2017
Earnings per share	4.58	4.65	4.58	4.65

The amounts used in numerators and denominators are stated below.

### Resultat per aktie före/efter utspädning

SEK 000	2018	2017
Profit for the year	78,892	80,110
<b>Weighted average number of outstanding shares, before dilution (000)</b>		
Total number of outstanding shares on Jan. 1	17,240	17,188
Total number of outstanding shares on Dec. 31	17,240	17,240
Weighted average number of shares in the year, before dilution	17,240	17,205
<b>Weighted average number of outstanding ordinary shares, after dilution (000)</b>		
Effect of share warrants	0	0
Weighted average number of shares in the year, after dilution	17,240	17,205

### Instruments that could have a future dilutive effect, and changes after the reporting date

The Company has two outstanding warrant programmes, one with an exercise price of SEK 124.66 per share (2020), and one with an exercise price of SEK 113.66 per share (2021), which have a dilution effect if the share price increases to a level above this exercise price.

## Note 10 Intangible assets

### Group

	Internally developed intangible assets	Acquired intangible assets	
SEK 000	Development expenditure	Other technical/contact-based assets	Total

#### Cumulative cost

Opening balance Jan. 1, 2017	10 344	3 708	14 052
Other investments	14 076	627	14 703
<b>Closing balance Dec. 31, 2017</b>	<b>24 420</b>	<b>4 335</b>	<b>28 755</b>

#### Cumulative amortisation

Opening balance Jan. 1, 2017	-790	-3,351	-4,141
Amortisation for the year	0	-234	-234
<b>Closing balance Dec. 31, 2017</b>	<b>-790</b>	<b>-3,585</b>	<b>-4,375</b>

#### Cumulative cost

Opening balance Jan. 1, 2018	24,420	4,335	28,755
Other investments	12,473	237	12,710
<b>Closing balance Dec. 31, 2018</b>	<b>36,893</b>	<b>4,572</b>	<b>41,465</b>

#### Cumulative amortisation

Opening balance Jan. 1, 2018	-790	-3,585	-4,375
Amortisation for the year	-3,928	-280	-4,208
<b>Closing balance Dec. 31, 2018</b>	<b>-4,718</b>	<b>-3,865</b>	<b>-8,583</b>

#### Carrying amounts

As of Jan. 1, 2017	9,554	357	9,911
As of Dec. 31, 2017	23,630	750	24,380

As of Jan. 1, 2018	23,630	750	24,380
As of Dec. 31, 2018	32,175	707	32,882

### Parent Company

	Internally developed intangible assets	Acquired intangible assets	
SEK 000	Development expenditure	Other technical/contact-based assets	Total

#### Cumulative cost

Opening balance Jan. 1, 2017	10,344	3,708	14,052
Other investments	14,076	627	14,703
<b>Closing balance Dec. 31, 2017</b>	<b>24,420</b>	<b>4,335</b>	<b>28,755</b>

#### Cumulative amortisation

Opening balance Jan. 1, 2017	-790	-3,351	-4,141
Amortisation for the year	0	-234	-234
<b>Closing balance Dec. 31, 2017</b>	<b>-790</b>	<b>-3,585</b>	<b>-4,375</b>

#### Cumulative cost

Opening balance Jan. 1, 2018	24,420	4,335	28,755
Other investments	12,473	237	12,710
<b>Closing balance Dec. 31, 2018</b>	<b>36,893</b>	<b>4,572</b>	<b>41,465</b>

#### Cumulative amortisation

Opening balance Jan. 1, 2018	-790	-3,585	-4,375
Amortisation for the year	-3,928	-280	-4,208
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#### Carrying amounts

As of Jan. 1, 2017	9,554	357	9,911
As of Dec. 31, 2017	23,630	750	24,380

As of Jan. 1, 2018	23,630	750	24,380
As of Dec. 31, 2018	32,175	707	32,882

The capitalised intangible assets for the year are firstly internal systems developed in-house, reported in the development expenditure column, and secondly purchased licenses for analytics tools, and recognised above in the technical/contract-based column. The internally developed system is ongoing, and amortisation will commence as components of the system come into use. The Company's judgement is that the system will be amortised over five years. The amortisation of intangible assets is recognised in the Statement of Comprehensive Income in the depreciation, amortisation and impairment of tangible and intangible assets line.



## Note 11 Property, plant and equipment

### Group

SEK 000	Equipment, tools, fixtures and fittings
<b>Cost</b>	
Opening balance Jan. 1, 2017	7,113
Purchases in the year	3,292
Sales	-127
Exchange rate difference	43
<b>Closing balance Dec. 31, 2017</b>	<b>10,321</b>
Opening balance Jan. 1, 2018	10,321
Purchases in the year	1,138
Exchange rate difference	110
<b>Closing balance Dec. 31, 2018</b>	<b>11,569</b>
<b>Depreciation</b>	
Opening balance Jan. 1, 2017	-3,529
Depreciation for the year	-1,293
Reversed depreciation for the year	127
Exchange rate difference	-7
<b>Closing balance Dec. 31, 2017</b>	<b>-4,702</b>
Opening balance Jan. 1, 2018	-4,702
Depreciation for the year	-1,586
Exchange rate difference	-46
<b>Closing balance Dec. 31, 2018</b>	<b>-6,334</b>
<b>Carrying amounts</b>	
As of Jan. 1, 2017	3,584
As of Dec. 31, 2017	5,619
As of Jan. 1, 2018	5,619
As of Dec. 31, 2018	5,235

### Parent Company

SEK 000	Equipment, tools, fixtures and fittings
<b>Cost</b>	
Opening balance Jan. 1, 2017	4,956
Purchases in the year	1,538
<b>Closing balance Dec. 31, 2017</b>	<b>6,494</b>
Opening balance Jan. 1, 2018	6,494
Purchases in the year	984
<b>Closing balance Dec. 31, 2018</b>	<b>7,478</b>
<b>Depreciation</b>	
Opening balance Jan. 1, 2017	-2,116
Depreciation for the year	-821
<b>Closing balance Dec. 31, 2017</b>	<b>-2,937</b>
Opening balance Jan. 1, 2018	-2,937
Depreciation for the year	-1,011
<b>Closing balance Dec. 31, 2018</b>	<b>-3,948</b>
<b>Carrying amounts</b>	
As of Jan. 1, 2017	2,840
As of Dec. 31, 2017	3,557
As of Jan. 1, 2018	3,557
As of Dec. 31, 2018	3,530

## Note 12 Accounts receivable

Accounts receivable are recognised after allowing for bad debt of SEK 616,000 (1,396,000) in the Group.

Bad debt in the Parent Company amounted to SEK 566,000 (1,308,000). Bad debt in the Parent Company was largely for one minor client. See Note 20, financial risks and finance policies

## Note 13 Non-current receivables and other receivables

### Group

SEK 000	2018	2017
<b>Non-current receivables held as non-current assets</b>		
Deposits on leased premises	1,905	5,048
<b>Total</b>	<b>1,905</b>	<b>5,048</b>
<b>Other receivables held as current assets</b>		
Receivables from suppliers	0	751
Value added tax	15,397	21,912
Receivables from employees	135	161
Other	181	301
<b>Total</b>	<b>15,713</b>	<b>23,125</b>

### Parent Company

SEK 000	2018	2017
<b>Non-current receivables held as non-current assets</b>		
Deposits on leased premises	1,182	4,380
<b>Total</b>	<b>1,182</b>	<b>4,380</b>
<b>Other receivables held as current assets</b>		
Receivables from employees	71	54
Receivables from suppliers	0	357
Other	19	4
<b>Total</b>	<b>90</b>	<b>415</b>

## Note 14 Prepaid expenses and accrued income

### Group

SEK 000	2018	2017
Rent	5,149	4,696
System operation and licenses	706	557
Accrued income from customers	76,212	30,783
Other personnel expenses	0	2,793
Other	2,343	2,285
<b>Total</b>	<b>84,410</b>	<b>41,114</b>

### Parent Company

SEK 000	2018	2017
Rent	4,325	3,996
System operation	518	557
Accrued income from customers	47,267	16,856
Other personnel expenses	0	2,793
Other	2,044	1,881
<b>Total</b>	<b>54,154</b>	<b>26,083</b>

## Note 15 Equity

### Share capital and premium

Thousands of shares	2018	2017
<b>Shares</b>		
Issued as of Jan. 1	17,240	17,187
Exercise of warrants	0	53
Issued as of Dec. 31—paid up	17,240	17,240

As of December 31, 2018, registered share capital included 17,239,675 ordinary shares with a quotient value of SEK 0.13. Holders of ordinary shares are entitled to a dividend that is determined in arrears, and the number of shares held confers entitlement to voting rights at shareholders' meetings of one vote per share.

### Other paid-up capital

Other paid-up capital means equity contributed by owners in addition to share capital. This includes premiums paid in share issues.

**Translation reserve**

The translation reserve contains all exchange rate differences arising on the translation of the financial statements of foreign operations that have prepared their financial statements in a different currency to the currency the Group presents its financial statements in.

**Share warrants**

The Company has two outstanding warrant programmes, which expire in 2020 and 2021. 120,000 warrants with an exercise price of SEK 124.66/share in 2020, and 87,500 warrants with an exercise price of SEK 113.66/share in 2021. See page 10, Corporate Governance Report.

**Dividend**

The Board of Directors has proposed the following dividend after the reporting date. The dividend is subject to approval by the AGM on May 2, 2019.

SEK 000	2018	2017
4.50 per ordinary share (SEK 4.50)	77,579	77,579
Reported dividend of SEK 4.50 per share (SEK 4.00)	77,579	68,750

**Capital management**

According to the Board's policy, the Group's financial goal is to have a good financial position, which contributes to maintaining the confidence of investors, lenders and the market and serve as a foundation for continued development of business operations, while at the same time, generating satisfactory long-term returns to shareholders. Capital is defined as total equity.

**Restricted equity****Restricted reserves**

Restricted reserves must not be reduced by the payment of dividends.

**Statutory reserve**

The purpose of the statutory reserve has been to save a portion of net profit, which is not consumed to cover losses carried forward. Amounts added to the share premium reserve before January 1, 2006 have been transferred to, and are included in, the statutory reserve.

**Non-restricted equity**

The following funds, along with net profit for the year, constitute non-restricted equity, i.e. the amount available for dividends to shareholders.

**Share premium reserve**

When shares are issued at a premium, i.e. amounts greater than the quota value of the shares are to be paid for the shares, an amount equivalent to the amount received in excess of the shares' quota value, should be transferred to the share premium reserve. Amounts carried to the share premium reserve from January 1, 2006 are included in non-restricted equity.

**Retained earnings**

Retained earnings consist of the previous year's retained earnings and profit less dividends paid during the year.

**Note 16 Liabilities to credit institutions**

Information on the Company's contractual terms governing interest-bearing liabilities follows. For more information on the Company's exposure to interest risk and the risk of exchange rate fluctuations, see Note 20.

**Non-current interest-bearing liabilities****Group**

SEK 000	Dec. 31, 2018	Dec. 31, 2017
Factoring credit	350,000	200,171
<b>Total current interest-bearing liabilities</b>	<b>350,000</b>	<b>200,171</b>

**Parent Company**

SEK 000	Dec. 31, 2018	Dec. 31, 2017
Factoring credit	350,000	200,171
<b>Total current interest-bearing liabilities</b>	<b>350,000</b>	<b>200,171</b>

**Assets pledged**

Collateral for factoring has been pledged at an amount of 2,321,753 in factored accounts receivable.

**Note 17 Other liabilities****Group**

SEK 000	Dec. 31, 2018	Dec. 31, 2017
<b>Other current liabilities</b>		
Withheld tax and VAT liability	42,365	28,503
Other liabilities	496	534
<b>Total other current liabilities</b>	<b>42,861</b>	<b>29,037</b>

**Parent Company**

SEK 000	Dec. 31, 2018	Dec. 31, 2017
Withheld tax and VAT liability	21,984	22,396
Other liabilities	158	206
<b>Recognised liability, Dec. 31</b>	<b>22,142</b>	<b>22,602</b>

## Note 18 Accrued expenses and deferred income

### Group

SEK 000	Dec. 31, 2018	Dec. 31, 2017
Salary-related costs	20,325	21,668
Discounts to customers	7,128	1,959
Accrued expenses to suppliers	11,972	0
Deferred income from customers	0	117
Other	6,620	2,932
	<b>46,045</b>	<b>26,676</b>

### Parent Company

SEK 000	Dec. 31, 2018	Dec. 31, 2017
Salary-related costs	12,974	14,560
Discounts to customers	4,133	1,720
Accrued expenses to suppliers	11,346	0
Deferred income from customers	0	0
Other	5,263	2,247
	<b>33,716</b>	<b>18,527</b>

## Note 19 Pledged assets and contingent liabilities

SEK 000	Group		Parent Company	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
<b>Pledged assets</b>				
Factoring	2,321,753	2,214,975	2,321,753	2,214,975
<b>Contingent liabilities</b>				
Rent guarantees to subsidiaries	0	0	0	552

## Note 20 Financial risks and policies

The Group is exposed to various types of financial risk through its activities.

Financial risks mean fluctuations in the Company's profit and cash flow as a result of changes in exchange rates and credit risks. The Group's finance policy for managing financial risks has been formulated by the Board and forms a framework of guidelines and rules in the form of risk mandates and limits for financing activities. The responsibility for the Group's financial transactions and risks is managed centrally by the Group's treasury function, which is within the Parent Company. The overall objective of the treasury function is to provide cost-effective financing and to minimise negative effects on the Group's earnings arising from market risks.

### Debt factoring

The interest on factoring credits consists of a variable base rate plus a fixed percentage rate. An average rate of 0.78% (0.60) was charged to the Group's profit in the year.

The total credit facility amounts to SEK 350,000,000.

### Sensitivity analysis

The Group's effect of a 3 percentage point interest rate increase on comprehensive income is SEK 11,092,000 (5,850,000).

### Liquidity risks

The Group has minimised the liquidity risk by signing agreements with its suppliers that reflect the client agreement in relation to payment terms of +3-5 days. Through this arrangement, the Group has reduced the risk of being affected by a liquidity shortfall.

The Company's financial liabilities were SEK 3,066,781,000 (2,595,320,000) at year-end.

The maturity structure of accounts payable is 0-120 days, and for the factoring credit, 30-120 days. The liquidity reserve amounts to SEK 487,945,000 (248,630,000)

### Currency risk

The currency risk for the Group consists of potential fluctuations in currencies. The Company is exposed to a translation exposure due to assets in other currencies than SEK as of December 31, 2018. The sensitivity analysis of what change a 10% appreciation of the Swedish krona against other currencies as of December 31, 2018 indicates a change in equity of SEK 4,994,000 (4,497,000) and a change in profit or loss of SEK -203,000 (604,000). The sensitivity analysis is based on all other factors (e.g. interest rates) remaining unchanged. The same conditions were applied in 2017.

### Credit risks in accounts receivable

The risk that the Group's clients do not fulfil their obligations, i.e. that payments are not received from clients, is a client credit risk. The Group conducts credit checks on its clients, collecting information on clients' financial positions from various credit agencies.

There was no significant concentration of credit exposure on the reporting date. The maximum exposure to credit risk is stated in the carrying amount of each financial asset in the Statement of Financial Position.

Based on historical data, the Group's assessment is that no impairment of accounts receivable is necessary that are not yet due, as of the reporting date. Nearly all outstanding accounts receivable consist of previously known clients with good credit ratings. The Company has a number of clients that account for a high proportion of sales. The Company considers that they are creditworthy, and together with what is stated above about accounts receivable being reflected in accounts payable, means that the assessed risk is low.

The 6 largest clients account for 32% (30) of accounts receivable. The Group has total claims on each of these clients of at least SEK 103 M (93).



## Age analysis, accounts receivable

SEK 000	Carrying amount	
	2018	2017
<b>Group</b>		
Non-overdue accounts receivable	2,680,584	2,168,403
Overdue accounts receivable, 0-30 days	275,592	443,366
Overdue accounts receivable, >30 days - 90 days	70,040	33,313
Overdue accounts receivable, >90 days - 180 days	5,111	7,311
Overdue accounts receivable, >180 days - 360 days	2,698	4,873
Overdue accounts receivable, >360 days	4,515	2,876
<b>Parent Company</b>		
Non-overdue accounts receivable	2,303,495	1,826,675
Overdue accounts receivable, 0-30 days	189,061	355,468
Overdue accounts receivable, >30 days - 90 days	59,665	26,136
Overdue accounts receivable, >90 days - 180 days	3,344	3,756
Overdue accounts receivable, >180 days - 360 days	1,831	1,998
Overdue accounts receivable, >360 days	3,961	942

## Fair values

The Group's financial instruments consist almost exclusively of accounts receivable and accounts payable with short maturities as well as cash and bank balances that the Group can dispose freely over. Accordingly, no material differences are deemed to exist between book values and fair values of the Group's financial instruments.

See also Note 12 accounts receivable.

## Note 21 Operating leases

## Leases where the Company is the lessee

Non-cancellable lease payments amount to:

SEK 000	Group		Parent Company	
	2018	2017	2018	2017
Within one year	21,765	17,353	17,055	13,737
Between one year and five years	40,010	37,133	30,564	32,640

Kostnadsförda avgifter för operationella leasingavtal uppgår till:

SEK 000	Group		Parent Company	
	2018	2017	2018	2017
Minimum lease payments	25,115	21,086	19,290	16,526
<b>Total lease costs</b>	<b>25,115</b>	<b>21,086</b>	<b>19,290</b>	<b>16,526</b>

## Note 22 Appropriation of profit

## Proposed appropriation of the Parent Company's profit

SEK	
<b>Dividend of SEK 4.50 per share to shareholders</b>	
Number of shares 17,239,675	77,578,538
Carried forward	9,404,721
<b>Total</b>	<b>86,983,258</b>

## Note 23 Related parties

## Related party relationships

The Parent Company has a close relation with its subsidiaries, see Note 24.

## Summary of related party transactions

Related party relationship	Purchase of goods/services from related party	Other (e.g. interest, dividend)	Receivable from related party as of Dec. 31	Debt to related party as of Dec. 31
SEK 000				
<b>Parent Company</b>				
<b>2018</b>				
Subsidiary	18,350	0	107,316	15,285
<b>2017</b>				
Subsidiary	8,254	0	47,471	3

Remuneration has been paid to key personnel as stated in Note 5. No additional remuneration was paid.

## Note 24 Group companies

### Parent Company holdings in subsidiaries

Subsidiary	Reg. office	Participating interest, %	
		2018	2017
Ework Group Finland OY	Finland	100	100
Ework Group Denmark ApS	Denmark	100	100
Ework Group Norway AS	Norway	100	100
Ework Group Poland Sp. z o.o.	Poland	100	100
Ework Group UK Ltd	UK	100	100

Parent Company, SEK 000	2018	2017
<b>Cumulative cost</b>		
At beginning of year	24,988	24,988
Purchases	0	0
<b>Closing balance Dec. 31</b>	<b>24,988</b>	<b>24,988</b>
<b>Cumulative revaluation</b>		
At beginning of year	3,563	3,563
<b>Closing balance Dec. 31</b>	<b>3,563</b>	<b>3,563</b>
<b>Cumulative impairment</b>		
At beginning of year	6,467	6,467
<b>Closing balance Dec. 31</b>	<b>6,467</b>	<b>6,467</b>
<b>Carrying amount, Dec. 31</b>	<b>22,084</b>	<b>22,084</b>

### Specification of Parent Company's direct holdings of participations in subsidiaries

Subsidiary, corporate identity number, registered office	No. of shares	Equity, %	Dec. 31, 2018 Carrying amount, SEK 000	Dec. 31, 2017 Carrying amount, SEK 000
Ework Group Finland OY 1868289-8, Esbo	1,000	100	74	74
Ework Group Denmark ApS 29394962, Copenhagen	1,000	100	17,509	17,509
Ework Group Norway AS 989958135, Oslo	100	100	1,809	1,809
Ework Group Poland Sp. z o.o. 0000559036, Warszawa	24,000	100	2,680	2,680
Ework Group UK Ltd 10084340, Bristol	1,000	100	12	12
			<b>22,084</b>	<b>22,084</b>

## Note 25 Statement of Cash Flows

### Cash and cash equivalents

Cash and cash equivalents consist of the following components

SEK 000	Group		Parent Company	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Cash and bank balances	137,945	48,630	51,435	35,105
<b>Total in Cash Flow Statement</b>	<b>137,945</b>	<b>48,630</b>	<b>51,435</b>	<b>35,105</b>

### Adjustments for items not included in cash flow

SEK 000	Group		Parent Company	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Depreciation and amortisation	5,823	1,575	5,219	1,061
	<b>5,823</b>	<b>1,575</b>	<b>5,219</b>	<b>1,061</b>

### Interest paid

SEK 000	Group		Parent Company	
	Dec. 31, 2018	Dec. 31, 2017	Dec. 31, 2018	Dec. 31, 2017
Interest received	107	49	1,118	757
Interest paid	-5,120	-1,364	-5,101	-1,284

## Note 26 Events after reporting date

No significant events have occurred since the reporting date.

## Note 27 Critical estimates and judgements

Management has discussed the progress, selection and disclosures in respect of the Group's critical accounting policies and estimates, as well as the application of these policies and estimates.

Management has not identified any areas where it believes there is a significant risk that the Group would suffer a negative adjustment of carrying amounts in the coming financial year.

## Note 28 Information on the Parent Company

Ework Group AB (is a Swedish registered limited company with its registered office in Stockholm. The Parent Company's shares were listed on Nasdaq Stockholm on February 18, 2010.

The address of the head office is Mäster Samuelsgatan 60, 111 21 Stockholm, Sweden.

The consolidated accounts for 2018 include the Parent Company and its subsidiaries, collectively termed the Group.

# Declaration

The Board of Directors and Chief Executive Officer declare that these annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and the consolidated accounts have been prepared in accordance with the international accounting standards referred to in the European Parliament and Council Regulation (EC) no. 1606/2002 of July 19, 2002 on the application of international accounting standards. The annual accounts and consolidated accounts give

a true and fair view of the Parent Company's and the Group's financial position and results of operations. The Statutory Management Report of the Parent Company and the Group gives a true and fair view of the progress of the Parent Company's and the Group's operations, financial position and results of operations and describes material risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, Sweden, March 26, 2019

Staffan Salén  
*Chairman of the Board*

Magnus Berglind  
*Board member*

Dan Berlin  
*Board member*

Mernosh Saatchi  
*Board member*

Anna Storåkers  
*Board member*

Johan Qviberg  
*Board member*

Erik Åfors  
*Board member*

Zoran Covic  
*Chief Executive Officer*

Our Audit Report was presented on March 28, 2019

KPMG AB

Mattias Johansson  
*Authorized Public Accountant*

# Auditor's report

To the general meeting of the shareholders of Ework Group AB, corporate identity number 556587-8708

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of Ework Group AB for the year 2018 except for the corporate governance statement on pages 10-13. In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2018 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2018 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 10-13 and the sustainability report on page 36. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the statement of comprehensive income and statement of financial position for the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the contents of the complementary report that has been presented to the Parent Company's audit committee pursuant to statutory audit regulation (537/2014) article 11.

### Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. To the best of our knowledge and belief, this includes no prohibited services as specified in statutory audit regulation (537/2014) article 5.1 being provided to be audited company, or were applicable, its parent company or entities under its control in the EU. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

### Revenue recognition

See note 2 and 3 and the accounting policies on pages 28-31 of the annual accounts and consolidated accounts for detailed disclosures and a review of this matter.

#### *Description of key audit matter*

Ework reported net sales of SEK 11,036 M for 2017, which primarily consists of services in the form of consultant revenue invoiced on open account. For services on open account, work performed is recognised as net sales in the period when the work was conducted.

Revenue recognition of consulting revenues invoiced on open account is considered a key matter because the high transaction volume means that accuracy is critical for avoiding material misstatement in financial reporting.

#### *Treatment of key audit matter in the audit*

Our review was oriented on, but not limited to, invoicing being at the correct price, in accordance with the price contracted with the client for completed delivery, and that net sales are reported in an essentially accurate manner in the Income Statement.

We have updated our understanding of the structure of the revenue process, and tested key controls identified in the flow associated with the accuracy of net sales. We have reviewed controls governing the signing of contracts and the recording of contract data on which invoicing is based. Through data analysis, we also verified consistency between net sales with time-sheet reporting by consultants, and pricing pursuant to contract with the client.

### Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is in part 1—Report, on pages 1-40. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment

of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so. The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

### Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast

significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

## Report on other legal and regulatory requirements

### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Ework Group AB for the year 2018 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

### Basis for opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

### Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial

situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

### Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors [or the Managing Director] in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the

company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined [the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

### The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 10-13 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

KPMG AB, Box 382, 101 27, Stockholm, Sweden, was appointed Ework Group AB's auditor by the general meeting of the shareholders on 24 April 2018. KPMG AB, or auditors active within KPMG AB, have been the company's auditor since 2009.

Stockholm, Sweden, March 28, 2019

KPMG AB

Mattias Johansson  
Authorized Public Accountant

# Definitions of key indicators

Ework Group utilises a number of financial metrics in 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 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 Annual Reports to give a view of the Group's results of operations, profitability and financial position.

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

## Annual General Meeting Notification

Shareholders wishing to attend the AGM should be recorded in the share register maintained by Euroclear by no later than April 25, 2019, and should report their attendance by April 26 in one of the following ways:

- Telephone +46 (0)8 506 05500
- Mail to Ework Group AB, Mäster Samuelsgatan 60, SE-111 21 Stockholm, Sweden
- E-mail: arsstamma18@eworkgroup.com
- Fax +46 (0)8 506 05501

## In notifications, shareholders should state their:

- Name
- Personal/corporate ID number
- Address and telephone number
- Number of shares
- Names of assistants (maximum two), who are to attend the AGM with the shareholder.

For entitlement to participate at the Meeting, shareholders with nominee-registered shares must temporarily re-register their shares in their own names in the share register maintained by Euroclear Sweden AB. Such re-registration must have been completed with Euroclear Sweden AB by Thursday April 25, 2019. This means that shareholders must inform their nominee of this in good time prior to this date.

**Ework's AGM will be held at 2 p.m. on Thursday, May 2, 2019 at Ework's premises at Mäster Samuelsgatan 60, Stockholm, Sweden.**

## Calendar

April 25, 2019	Interim Report, January – March 2019
May 2 2019	Annual General Meeting
July 18 2019	Interim Report, April – June 2019
October 22, 2019	Interim Report, July – September 2019

## Nomination Committee

**Ework's Nomination Committee has the following members:**

**Staffan Salén** (Chairman of the Board of Directors), **Magnus Berglind** (Chairman of the Nomination Committee), and **Öystein Engebretsen**.

The Nomination Committee's duty is to submit proposals to the AGM on election of the Board, auditors and deputy auditors and their fees.

## Nomination Committee's proposal regarding Board members

The Nomination Committee is proposing re-election of current members Magnus Berglind, Dan Berlin, Johan Qviberg, Staffan Salén, Mernosh Saatchi, Anna Storåkers and Erik Åfors.

## Election of Chairman of the Board

Re-election of Staffan Salén.



**eworkgroup.com**

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03

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