# Eezy financial review

2021

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# Contents

# Report of the Board of Directors

## Market review

The HR services market relevant to Eezy's business includes staffing services, light entrepreneurship services and selected professional services. Markets are estimated to have contracted temporarily by 15–25% and to have already recovered to near the previous levels. Due to the working life megatrends and the increased need for flexible workforce we expect the markets to continue on growth track.

According to an estimate by management, the size of the entire HR services market in Finland was EUR 3 billion in 2021, of which the staffing services were EUR 2.4 billion. The market size of the relevant recruitment services was somewhat over EUR 100 million. The market size of light entrepreneurship services has been estimated to be approx. EUR 250 million.

According to The Private Employment Agencies Association (HPL), the revenue of the largest companies in the staffing service market increased 26% in November and 7% in January–November compared to last year. According to HPL, the economic outlook in staffing services is good.

The management estimates that also the professional services market is growing again. In the light entrepreneurship services market, the competition has increased due to new actors.

In Finland, the share of flexible forms of working relative to all work remains significantly lower than in comparable European countries. Management believes that the market will continue its structural growth as flexible forms of working become more common.

## Corona effects

Corona virus has strongly affected our customers and us since spring 2020. The progress of vaccinations and subsequent easing of restrictions during summer 2021 turned the business back to growth.

Corona's effects can be clearly seen in the industrial and construction sectors, which normally generate half of our revenue. The sector as whole has recovered well and enjoys good demand. Importing foreign labor is still difficult.

The negative impact has been largest in the Horeca sector, which normally generates about one quarter of our revenue. The volumes strongly picked up during the summer and autumn, but weakened again in December due to Corona restrictions.

Volumes in the retail sector have been mildly growing.

The Corona spike caused by the Omicron variant has since December significantly affected the Horeca sector.

Possible sick leaves can increase our cost level.

The role of workforce availability has increased again, like before Corona. Workforce availability problems are expected to grow on the Horeca sector, but challenges are found also on other sectors.

Lengthened crisis may increase customers' financial difficulties, which can lead to credit losses. Our own liquidity is currently good.

## Revenue

**OCTOBER–DECEMBER**

Eezy's revenue amounted to EUR 60.5 million (43.4), increasing by 39% compared to the corresponding period in the previous year.

Revenue increased by 37% in the staffing service area. In the professional services area revenue increased by 82% mainly due the strengthening of the market. In the light entrepreneurship service area revenue decreased by 5%.

Eezy's chain-wide revenue amounted to EUR 89.7 million (67.9) increasing by 32%. Franchise fees totaled EUR 2.0 million (1.7). The invoicing volume of light entrepreneurship services was EUR 11.6 million (10.9).

Revenue increased by 37% in the Work and Talent business unit due the Corona recovery in staffing and good growth in recruitment services. In the Growth and Renewal business unit revenue increased by 75% due to both the Corona recovery and the Valmennuskeskus acquisition.

**JANUARY–DECEMBER**

Eezy's revenue amounted to EUR 203.3 million (190.6), increasing by 7% compared to the previous year.

Revenue in the staffing service area increased by 3%. Growth was limited by the small volumes in Horeca and industrial sectors in the early part of the year. In the professional services area revenue increased by 87% due to both the acquisitions done in the previous year and the organic growth. In the light entrepreneurship service area revenue decreased by 8%.

Eezy's chain-wide revenue amounted to EUR 305.5 million (282.6) increasing by 8%. Franchise fees totaled EUR 7.1 million (6.1). The invoicing volume of light entrepreneurship services was EUR 41.4 million (41.9).

Revenue increased by 5% in the Work and Talent business unit due to weak early part of the year. In the Growth and Renewal business unit revenue increased by 64% due to both the Corona recovery and the acquisitions done.

## Revenue by service area

| EUR million | 10–12/2021 | 10–12/2020 | Change % | 1–12/2021 | 1–12/2020 | Change % |
|---|---|---|---|---|---|---|
| Staffing services | 51.5 | 37.5 | 37% | 178.1 | 173.4 | 3% |
| Franchise fees | 2.0 | 1.7 | 20% | 7.1 | 6.1 | 16% |
| Professional services | 6.3 | 3.5 | 82% | 15.7 | 8.4 | 87% |
| Light entrepreneurship services | 0.7 | 0.7 | -5% | 2.5 | 2.7 | -8% |
| **Total** | **60.5** | **43.4** | **39%** | **203.3** | **190.6** | **7%** |

## Revenue by business unit

| EUR million | 10–12/2021 | 10–12/2020 | Change % | 1–12/2021 | 1–12/2020 | Change % |
|---|---|---|---|---|---|---|
| Work and Talent | 55.7 | 40.7 | 37% | 193.1 | 184.4 | 5% |
| Growth and Renewal | 4.7 | 2.7 | 75% | 10.1 | 6.2 | 64% |
| **Total** | **60.5** | **43.4** | **39%** | **203.3** | **190.6** | **7%** |

## Result

### OCTOBER–DECEMBER

EBITDA was EUR 5.3 million (3.4). Operating profit was EUR 3.2 million (1.5).

Total depreciation, amortization and impairment was EUR 2.1 million, of which EUR 1.0 million was acquisition related amortization. The result before taxes was EUR 2.8 million (1.0) and the result for the period was EUR 2.2 million (0.8). Earnings per share was EUR 0.08 (0.02).

### JANUARY–DECEMBER

EBITDA was EUR 19.5 million (13.5). Operating profit was EUR 11.8 million (5.6). Negative impact of Corona was visible in all business areas in the early part of the year. Profitability improved toward the end of the period, as the society normalized along the vaccinations.

Other operating income includes approx. EUR 1.7 million positive impact from change in light entrepreneurship service fee's VAT handling and the Corona subsidy from State treasury totaling EUR 1.0 million.

Total depreciation, amortization and impairment was EUR 7.7 million, of which EUR 4.0 million was acquisition related amortization. The result before taxes was EUR 10.3 million (4.0) and the result for the period was EUR 8.1 million (3.2). Earnings per share was EUR 0.31 (0.11).

## Financial position and cash flow

Eezy's consolidated balance sheet on 31 December 2021 amounted to EUR 206.8 million (205.2), of which equity made up EUR 109.1 million (103.7).

As of 31 December 2021, the Group has liabilities to credit institutions amounting to EUR 48.3 million (51.9). of which EUR 43.9 (47.6) was non-current.

Cash balance on 31 December 2021 was EUR 6.1 million (15.4). The Group has overdraft facilities in total of EUR 10.0 million, all of which were unused on 31 December 2021. The remaining positive effect from relaxed due dates on pension payments and taxes was approx. EUR 1 million.

Equity ratio stood at 52.8% (50.6%). The Group's net debt including IFRS16 leasing items on 31 December 2021 amounted to EUR 48.7 million (42.4). Net debt excluding IFRS16 leasing items was EUR 44.2 million (36.4). The net debt/EBITDA ratio was 2.4 x (3.1 x).

Operative free cash flow amounted to EUR 7.4 million (2.2) in October–December and EUR 8.3 million (21.3) in January–December. Tax and pension payments of approx. EUR 9 million, related to Corona actions in 2020, decreased cash flow as planned.

## Investments and acquisitions

Eezy's investments in subsidiary shares presented in the cash flow statement amounted to EUR 4.6 million (1.5) in October–December and EUR 4.6 million (2.1) in January–December. Investments include acquisitions of Triton Henkilöstöpalvelut Oy and KK Valmennuskeskus Oy as well as an additional purchase price relating to an earlier acquisition.

On 1 October 2021 Eezy strengthened its recruitment of labour from outside Finland through its purchase of Triton Henkilöstöpavelut Oy (current Eezy Triton Oy), which imports labour to Finland from several eastern European countries. Triton was established in 2018 and revenue stands at approx. EUR 4 million.

Eezy strengthened its offering to the public sector by acquiring KK Valmennuskeskus Oy (current Eezy Valmennuskeskus Oy) on 1 November 2021. The revenue of Valmennuskeskus is approx. EUR 10 million.

Eezy sold its Swedish subsidiary VMP-Group Sweden AB to Palm & Partners Bemanning AB on 4 January 2021. The transaction did not significantly impact Eezy's result in 2021.

Investments in tangible and intangible assets totaled EUR 0.4 million (0.8) in October–December and EUR 1.7 million (2.1) in January–December. Investments in tangible and intangible assets were mainly related to IT investments.

## Employees

Eezy employs people in Group functions and as staffed employees assigned to customer companies. In October–December, Eezy employed an average of 437 (359) and in January–December 374 (370) on average people in Group functions and on average 3 860 (2 722) in October–December and 3 320 (3 309) in January–December staffed employees on FTE basis.

Due to the nature of the staffing service business, Eezy's total number of personnel employed is higher than the number of personnel employed on average. In the calculation of the average number of staffed employees, the work input of the employees has been converted into person-years. The users of light entrepreneurship services are not included in the Group's personnel numbers.

## Changes in management and organisation

The company announced in August changes to the composition of the management team and the organization.

Going forward, the business units are:

- The Work and Talent business unit offers services for staff leasing, recruitment, headhunting and relocation, through our own business units as well as through our franchise units.
- The Growth and Renewal business unit offers organisational and management research and development services as well as training services. It also develops and sells services and platforms that promote the renewal of the working life, such as light entrepreneurship services.

Management team of the Eezy group:

- **Sami Asikainen**, CEO
- **Hannu Nyman**, CFO
- **Pasi Papunen**, Director, Growth and Renewal
- **Thomas Hynninen**, Director, Work and Talent
- **Hanna Lehto**, Director, People and Culture
- **Isa Merikallio**, Content Director
- **Päivi Salo**, CDO

On 8 December 2021, Pasi Papunen was appointed as an executive vice president.

## Shares and shareholders

On 31 December 2021, Eezy Plc had 25 046 815 (24 849 375) registered shares. In the review period, in total 197 440 new shares were issued, of which 45 843 for completing the Eezy Triton acquisition and 151 597 for completing the Eezy Valmennuskeskus acquisition. The company holds no treasury shares. The company had 2 627 (2 625) shareholders, including nominee registered shareholders.

In January–December 2021, a total of 4 046 053 (3 305 350) shares were traded and the total trading volume was EUR 23.7 million (15.6). During the period, the highest quotation was EUR 7.20 (7.35) and the lowest EUR 4.90 (2.58). The volume-weighted average price of the share was EUR 5.85 (4.73). The closing price of the share at the end of December was EUR 5.98 (5.90) and the market value stood at EUR 149.8 million (146.6).

On 31 December 2021, the members of the Board of Directors and the members of the management team owned a total of 1 237 129 (1 433 171) Eezy shares, corresponding to approximately 4.9% (5.8%) of shares and of the votes to which they entitle. The share numbers include the direct holdings of the persons in question and their controlled companies. In addition, Board members are employed in managerial duties by significant shareholders.

Ten largest shareholders as of 31 December 2021:

| Shareholder | | Shares | % |
|---|---|---|---|
| 1. | Sentica Buyout V Ky | 6,105,458 | 24.38 |
| 2. | NoHo Partners Oyj | 5,864,745 | 23.42 |
| 3. | Meissa-Capital Oy | 3,223,071 | 12.87 |
| 4. | Evli Finnish Small Cap Fund | 1,121,699 | 4.48 |
| 5. | OP Finland Micro Cap Fund | 572,757 | 2.29 |
| 6. | S-Bank Fenno Equity Fund | 421,062 | 1.68 |
| 7. | Asikainen Sami | 414,350 | 1.65 |
| 8. | Säästöpankki Small Cap Fund | 322,200 | 1.29 |
| 9. | Ilmarinen Mutual Pension | 274,261 | 1.09 |
| 10. | Laine Capital Oy | 256,785 | 1.03 |
| 10 largest in total | | 18,576,388 | 74.17 |
| Nominee-registered | | 2,227,952 | 8.90 |
| Others | | 4,242,475 | 16.94 |
| **Total** | | **25,046,815** | **100.00** |

The company has received flagging notices during the period: The ownership of NoHo Partners Plc has decreased below 25%, and the ownership of Handelsbanken Fonder AB has exceeded 5%.

## Governance

The Corporate Governance Statement and the Remuneration Report are issued separately from the Report of the Board of the Directors, and the documents are available at the company's website.

### ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) was held on 13 April 2021. The AGM adopted the Financial Statements for the year 2020.

The AGM decided that for year 2020 a dividend of EUR 0.10 per share is distributed by a resolution of the general meeting. The dividend, EUR 2.5 million in total, was paid on 22 April 2021. In addition, the board of directors was authorised to later decide on a possible dividend of max. EUR 0.05 per share. On 8 December 2021, the board of directors decided on using the authorisation given by the AGM. The dividend of EUR 0.05 per share, EUR 1.3 million in total, was paid on 17 December 2021. The total dividend from year 2020 has been EUR 0.15 per share.

The AGM elected eight members to the Board of Directors. Tapio Pajuharju, Kati Hagros, Liisa Harjula, Timo Laine, Timo Mänty, Paul-Petteri Savolainen, Jarno Suominen and Mika Uotila were re-elected as members of the Board of Directors.

The members of the board of directors will be paid monthly remuneration EUR 4,000 per month for the chairperson of the board and EUR 2,000 per month for all other members of the board each. In addition, for members of the board of directors' committees will be paid a meeting fee of EUR 300 for each committee meeting.

Authorized Public Accountant KPMG Oy Ab was re-elected as the company's auditor. KPMG Oy Ab has informed that Authorized Public Accountant Mr. Esa Kailiala will act as the principal auditor.

In the organization meeting held on the same day, the Board of Directors elected Tapio Pajuharju as its Chairman. Liisa Harjula was elected as Chairman of the Audit Committee and Jarno Suominen and Kati Hagros as members of the Audit Committee.

### VALID AUTHORIZATIONS

The authorizations given by the AGM on 13 April 2021 are described in detail in the stock exchange release about the AGM's decisions.

The AGM authorized the board of directors to decide on the distribution of dividends from the company's unrestricted equity so that the amount of dividends to be distributed does not exceed a total of EUR 0.05 per share. The authorization was used on 8 December 2021.

The AGM authorised the board of directors to decide on the repurchase of the company's own shares using the company's unrestricted equity. The total maximum number of shares to be repurchased under the authorisation shall be 2,400,000 shares. The shares are repurchased in trading organized by Nasdaq Helsinki Oy at a price formed in public trading on the date of repurchase. The authorisation is valid until the end of the annual general meeting of 2022, however, for a maximum of 18 months. The authorization is unused.

The AGM authorised the board of directors to decide, in one or more tranches, on the issuance of shares as well as on the issuance of option rights and other special rights entitling to shares as referred to in chapter 10(1) of the Finnish Limited Liability Companies Act. The total maximum number of shares to be issued under the authorisation shall be 4,800,000 shares. The authorisation is valid until the end of the annual general meeting of 2022, however, for a maximum of 18 months. Based on the authorization, 45,843 new shares have been issued for the Eezy Triton acquisition and 151,597 shares for the Eezy Valmennuskeskus acquisition.

## Long-term incentive plan

In November, Eezy Plc's Board of Directors resolved to amend the terms of the long-term incentive plan for the company's key employees due to the changes in the company's business environment caused by the Coronavirus pandemic. The terms of the long-term incentive plan was amended by extending the duration of the long-term incentive plan by one year until 2026 and adding a new earning period.

The establishment of the long-term incentive plan has been announced on 18 December 2019. No shares were issued for the first and second earning period.

Eezy Plc's Board of Directors has resolved on the third earning period of the long-term incentive plan for the company's key employees. The third earning period is 13 months, starting on 1 December 2021, and ending on 31 December 2022. The reward criteria for the third earning period are based on Eezy Plc's revenue and operating profit margin. There are 18 participants in the long-term incentive plan's third earning period. A maximum of 246,000 reward shares could be awarded for the third earning period.

## Risks and uncertainties

Eezy's risk management principles are based on the Finnish Corporate Governance Code for Listed Companies. The objective of risk management is to ensure that the group's targets are reached and to safeguard the continuity of operations.

Corona virus and the restrictions related to it may continue to weaken the general economic conditions in Finland. This may negatively affect Eezy by customers' businesses stopping or disturbing, or by customers' financial difficulties. The virus can also directly affect Eezy through the sick leaves of either staffed employees or employees in group functions.

Poor economic development in Finland may have an indirect adverse impact on Eezy's business and result. In economic downturn it is possible that companies use less staffing services and other HR services offered by Eezy.

Material short-term risks also include tighter competition in the HR and recruitment market, changes in legislation or collective agreements, and the cyclical nature of the business.

There are also significant risks related to acquisitions. If the performance of the acquired company does not match expectations, the integration fails, or other targets set for the acquisition are not reached, there may be material effects for Eezy's profitability and financial position.

More information about risk management is available on the company website.

## Guidance for 2022

Eezy expects revenue to grow and EBIT-% to increase during 2022. The guidance will be made more precise during the year.

## Dividend proposal

The parent company's distributable funds in the financial statement on 31 December 2021 was EUR 125.1 million, of which profit for the financial period was EUR 3.2 million. Board of Directors proposes a dividend of EUR 0.15 per share, of which EUR 0.10 will be paid in April and EUR 0.05 in October.

# Statement of non-financial information

## Eezy's business

The Eezy Group consists of the parent company, Eezy Plc, and its subsidiaries. Eezy's operations are divided into two units: the Work and Talent business unit and the Growth and Renewal business unit.

The Work and Talent business unit provides staffing and recruitment services to customers and employees. In staffing, Eezy serves corporate customers, with the employee being in an employment relationship with the staffing company but working for the customer company for a specified period of time. Eezy offers staffing services through its own units as well as through franchisees. Eezy's recruitment services include headhunting, aptitude assessments and relocation services.

The Growth and Renewal business unit provides research, training and development services for companies' personnel as well as management consulting and coaching services. The unit also includes tutoring services for upper secondary school students and university students as well as employment services ranging from training services to coaching, integration, guidance and rehabilitation services. Eezy's light entrepreneurship services enable private individuals to operate as independent entrepreneurs without having to start their own company, by invoicing their customers through Eezy's service.

Eezy's extensive range of services responds to the changing needs of working life in Finland. Eezy's diverse offering enables the company to serve as a comprehensive HR partner to customers and individuals.

## Environment

Eezy's operations do not involve significant environmental considerations. The direct environmental impact of Eezy's services is estimated to be low due to the nature of the company's business operations. In its internal operations, Eezy has a strong focus on the themes of sustainable development by means of harmonised recycling policies and by placing emphasis on eco-friendly choices in the company's policies concerning work-related travel, for example.

## Social and personnel-related issues

Eezy aims to help employers and employees succeed in the changing world of work. Eezy's business, growth and success are based on highly competent personnel, including both the Group's direct personnel and staffed employees. In addition to the continuous development of personnel competence, Eezy has a strong focus on promoting well-being.

In all of its operations, Eezy observes the rules of fair working life, collective agreements and applicable legislation. Eezy engages in cooperation with trade unions, the public sector and educational institutions, and Eezy also looks after the occupational safety of staffed employees in cooperation with customers.

Eezy plays an important role in preventing social exclusion. Eezy works actively together with Employment and Economic Development Offices and various employment promotion projects. Eezy provides advice and training to immigrants on questions concerning working life, offers integration services and is a significant employer of young people.

The central themes of Eezy's HR policy are well-being at work and occupational safety. Eezy trains and coaches its employees to facilitate their professional development. Well-being at work is measured by regular job satisfaction surveys and by monitoring sickness absence rates. Eezy has an active occupational health and safety committee that is responsible for occupational safety and works together with customer companies to develop occupational safety. Occupational accident monitoring is carried out together with the occupational health care provider on the basis of accident statistics with the aim of improving occupational safety.

## Respect for human rights and the prevention of corruption and bribery

During the year under review, Eezy introduced a Whistleblowing channel to facilitate the external and internal reporting of suspected violations in accordance with the EU's Whistleblower Directive.

Eezy respects and observes human rights. Employees and jobseekers are not discriminated against on any grounds. With regard to foreign labour, Eezy confirms that foreign workers have the right to work and supports the prevention of trafficking in human beings. Eezy does not tolerate any form of harassment or workplace bullying. Eezy has not been informed of any human rights violations related to its operations during the year under review or the financial year preceding it.

Eezy has established a data protection and data security organisation based on the EU's General Data Protection Regulation (GDPR) and the company has operating processes in place to ensure appropriate data protection and data security.

Eezy is committed to preventing all forms of corruption, including extortion and bribery. No favours, gifts or benefits are offered or received that could reasonably be expected to influence decision-making within the company. The personnel have the opportunity to report violations and suspected misconduct through a separate Whistleblowing channel or by reporting such incidents to their supervisor or the company's senior management. Eezy has not received any reports of violations or suspected misconduct during the year under review or the financial year preceding it.

Helsinki, 16 February 2022
Eezy Plc
Board of Directors

# Key figures, their calculation and reconciliations

Eezy presents selected key figures which relate to the performance and financial position of the company. All these key figures are not measures defined in the IFRS and they are thus considered as alternative performance measures.

The companies do not calculate alternative performance measures in a uniform way, and thus the alternative performance measures presented by Eezy may not be comparable with the similarly named key figures presented by other companies.

## Key figures

| EUR thousand, unless otherwise specified | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 | Change % | 1 Jan–31 Dec 2019 | 1 Jan–31 Dec 2018 |
|---|---|---|---|---|---|
| **Key figures for income statement** | | | | | |
| Revenue | 203,328 | 190,637 | 7% | 169,784 | 81,698 |
| EBITDA | 19,492 | 13,495 | 44% | 12,586 | 10,070 |
| EBITDA margin, % | 9.6% | 7.1% | - | 7.4% | 12.3% |
| EBIT | 11,812 | 5,565 | 112% | 8,022 | 8,154 |
| EBIT margin, % | 5.8% | 2.9% | - | 4.7% | 10.0% |
| Earnings per share, undiluted, EUR | 0.31 | 0.11 | - | 0.25 | 0.38 |
| Earnings per share, diluted, EUR | 0.30 | 0.11 | - | 0.25 | - |
| Weighted average number of outstanding shares, pcs | 24,883,655 | 24,849,375 | - | 18,296,109 | 10,559,819 |
| Weighted average number of outstanding shares, diluted, pcs | 25,081,134 | 24,997,332 | - | 18,301,372 | - |
| Number of outstanding shares at the end of reporting period, pcs | 25,046,815 | 24,849,375 | - | 24,849,375 | 14,799,198 |
| **Key figures for balance sheet** | | | | | |
| Net debt | 48,702 | 42,424 | - | 56,513 | 14,023 |
| Net debt excluding IFRS16 | 44,200 | 36,440 | - | 51,887 | 11,373 |
| Net debt / EBITDA (net leverage) | 2.4 x[1] | 2.9 x[1] | - | 2.7 x[1] | 1.3 x |
| Gearing, % | 44.6% | 40.9% | - | 55.5% | 27.6% |
| Equity ratio, % | 52.8% | 50.6% | - | 48.6% | 52.8% |
| Equity per share, EUR | 4.36 | 4.17 | - | 4.10 | 3.43 |
| **Key figures for cash flow** | | | | | |
| Operative free cash flow | 8,295 | 21,267 | - | 13,061 | 9,843 |
| Purchase of tangible and intangible assets | -1,688 | -2,096 | - | -1,691 | -667 |
| Acquisition of subsidiaries, net of cash acquired | -4,609 | -2,082 | - | -11,417 | -7,937 |
| **Operative key figures** | | | | | |
| Chain-wide revenue, EUR million | 305.5 | 282.6 | 8% | 285.6 | 207.4 |
| Franchise-fees, EUR million | 7.1 | 6.1 | 16% | 7.8 | 8.9 |
| Light entrepreneurship invoicing volume, EUR million | 41.4 | 41.9 | -1% | 49.9 | 46.1 |

[1] EBITDA is based on estimated combined pro forma EBITDA of last 12 months.

## Reconciliation of Certain Alternative Performance Measures

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 | 1 Jan–31 Dec 2019 | 1 Jan–31 Dec 2018 |
|---|---|---|---|---|
| **EBITDA** | | | | |
| EBIT | 11,812 | 5,565 | 8,022 | 8,154 |
| Acquisition related amortization[1] | 4,045 | 3,914 | 1,645 | 16 |
| Other depreciation, amortization and impairment losses | 3,636 | 4,016 | 2,919 | 1,900 |
| Total depreciation, amortization and impairment losses | 7,680 | 7,929 | 4,564 | 1,916 |
| **EBITDA** | **19,492** | **13,495** | **12,586** | **10,070** |
| | | | | |
| **Operative free cash flow** | | | | |
| Cash flows from operating activities before financial items and taxes | 9,982 | 23,363 | 14,752 | 10,510 |
| Purchase of tangible and intangible assets | -1,688 | -2,096 | -1,691 | -667 |
| **Operative free cash flow** | **8,295** | **21,267** | **13,061** | **9,843** |

[1] The acquisition related amortization comprises the amortization made on the recognized fair value adjustments arisen from business combinations.

# Calculation of key figures

## Key figures for income statement

| | | | |
|---|---|---|---|
| EBITDA | = | Operating profit + Depreciation, amortization and impairment losses | |
| EBITDA margin, % | = | EBITDA / Revenue | x 100 |
| Operating profit (EBIT) | = | Operating profit | |
| Operating profit margin, % | = | Operating profit / Revenue | x 100 |
| Earnings per share, basic | = | Profit for the period attributable to the owners of the parent company / Weighted average number of outstanding shares | |
| Earnings per share, diluted | = | Profit for the period attributable to the owners of the parent company / Weighted average number of outstanding shares taking into account obligations arising from potential dilutive share issues of the Parent Company in the future | |

## Key figures for the balance sheet

| | | | |
|---|---|---|---|
| Net debt | = | Interest bearing liabilities – interest-bearing receivables – cash at bank and in hand | |
| Net debt excluding IFRS16 | = | Net debt – IFRS 16 items | |
| Net debt / EBITDA (net leverage) | = | Net debt / EBITDA | x 100 |
| Gearing | = | Net debt / Equity | x 100 |
| Equity ratio | = | Equity / (Total equity and liabilities – advances received) | x 100 |
| Equity per share | = | Equity / Number of outstanding shares at the end of reporting period | x 100 |

## Cash flow key figures

| | | |
|---|---|---|
| Operative free cash flow | = | Cash flow from operating activities presented in the cash flow statement before financing items and taxes – purchase of tangible and intangible assets |
| Purchase of tangible and intangible assets | = | Investments in tangible and intangible assets presented in the cash flow statement |
| Acquisition of subsidiaries, net of cash acquired | = | Acquired shares of subsidiaries presented in the cash flow statement |

## Operative key figures

| | | |
|---|---|---|
| Chain-wide revenue | = | Consolidated revenue + revenue of chain franchisees – franchise fees (and other significant internal chain revenue) + self-employment invoicing volume to the extent it is excluded from consolidated revenue |
| Franchise fees | = | Fees paid by franchisees based on revenue and/or gross profit + initial fees |
| Light entrepreneurship invoicing volume | = | Invoicing volume of the light entrepreneurship services |

# Eezy consolidated financial statements

2021

# Consolidated statement of comprehensive income (IFRS)

| EUR thousand | Note | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|---|
| Revenue | 3 | 203,328 | 190,637 |
| Other operating income | 4 | 3,070 | 1,330 |
| Share of result of equity accounted investments | | - | -1 |
| Materials and services | 5 | -6,059 | -4,444 |
| Personnel expenses | 6, 7 | -165,576 | -155,124 |
| Other operating expenses | 9, 10 | -15,270 | -18,904 |
| Depreciation, amortization and impairment losses | 8 | -7,680 | -7,929 |
| **Operating profit** | | **11,812** | **5,565** |
| | | | |
| Financial income | 11 | 149 | 150 |
| Financial expense | 11 | -1,614 | -1,702 |
| Financial income and expenses | 11 | -1,465 | -1,552 |
| | | | |
| **Profit (loss) before taxes** | | **10,348** | **4,014** |
| | | | |
| Income taxes | 12 | -2,266 | -819 |
| | | | |
| **Profit (loss) for the period** | | **8,081** | **3,195** |
| | | | |
| Profit attributable to: | | | |
| Owners of the parent company | | 7,601 | 2,680 |
| Non-controlling interests | | 480 | 515 |
| **Profit (loss) for the period** | | **8,081** | **3,195** |
| | | | |
| **Earnings per share attributable to the owners of the parent company:** | | | |
| Earnings per share, basic (EUR) | 24 | 0.31 | 0.11 |
| Earnings per share, diluted (EUR) | 24 | 0.30 | 0.11 |
| | | | |
| **Other comprehensive income:** | | | |
| Items that will not be reclassified to profit or loss | | | |
| Changes in the fair value of share investments | 19 | 3 | -78 |
| Items that may be reclassified subsequently to profit or loss | | | |
| Exchange differences on translating foreign operations | | 50 | 8 |
| **Other comprehensive income for the period, net of tax** | | **52** | **-69** |
| | | | |
| **Total comprehensive income for the period** | | **8,134** | **3,126** |
| | | | |
| | | | |
| Total comprehensive income attributable to: | | | |
| Owners of the parent company | | 7,653 | 2,611 |
| Non-controlling interests | | 480 | 515 |
| **Total comprehensive income for the period** | | **8,134** | **3,126** |

The notes are an integral part of the consolidated financial statements.

# Consolidated balance sheet (IFRS)

| EUR thousand | Note | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Goodwill | 16 | 134,054 | 127,938 |
| Intangible assets | 16 | 28,314 | 29,731 |
| Property, plant and equipment | 17 | 5,095 | 6,984 |
| Investments in shares | 19 | 240 | 586 |
| Receivables | 21, 27 | 1,152 | 1,227 |
| Deferred tax asset | 20 | 201 | 374 |
| **Total non-current assets** | | **169,056** | **166,841** |
| | | | |
| **Current assets** | | | |
| Trade receivables and other receivables | 21, 27 | 31,649 | 20,851 |
| Current income tax receivables | | 14 | 0 |
| Cash and cash equivalents | 22 | 6,106 | 15,447 |
| **Total current assets** | | **37,769** | **36,298** |
| **Assets classified as held for sale** | 15 | **-** | **2,096** |
| **Total assets** | | **206,825** | **205,235** |
| | | | |
| **EQUITY AND LIABILITIES** | | | |
| **Equity attributable to the owners of the parent company** | | | |
| Share capital | 23 | 80 | 80 |
| Reserve for invested unrestricted equity | 23 | 107,876 | 106,572 |
| Fair value reserve | 23 | - | -3 |
| Translation differences | 23 | - | -50 |
| Retained earnings | 23 | -1,857 | -5,714 |
| **Total equity attributable to the owners of the parent company** | | **106,099** | **100,885** |
| Non-controlling interests | | 3,037 | 2,859 |
| **Total equity** | | **109,136** | **103,744** |
| | | | |
| **Non-current liabilities** | | | |
| Loans from financial institutions | 25, 27 | 43,924 | 47,630 |
| Lease liabilities | 25, 27 | 2,527 | 3,998 |
| Other liabilities | 26, 27 | 1,944 | 66 |
| Deferred tax liability | 20 | 5,190 | 5,504 |
| **Total non-current liabilities** | | **53,586** | **57,198** |
| | | | |
| **Current liabilities** | | | |
| Loans from financial institutions | 25, 27 | 4,400 | 4,247 |
| Lease liabilities | 25, 27 | 1,975 | 1,986 |
| Trade payables and other liabilities | 26, 27 | 35,499 | 34,630 |
| Current income tax liabilities | | 2,228 | 1,679 |
| **Total current liabilities** | | **44,102** | **42,542** |
| **Liabilities directly associated with assets classified as held for sale** | 15 | **-** | **1,752** |
| **Total liabilities** | | **97,688** | **101,491** |
| **Total equity and liabilities** | | **206,825** | **205,235** |

The notes are an integral part of the consolidated financial statements.

# Consolidated cash flow statement (IFRS)

| EUR thousand | Note | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Customer payments received | | 196,950 | 204,069 |
| Cash paid to suppliers and employees | | -186,967 | -180,705 |
| **Cash flows from operating activities before financial items and taxes** | | **9,982** | **23,363** |
| Interest paid | | -1,497 | -1,627 |
| Interest received | | 64 | 66 |
| Other financial items | | 67 | 52 |
| Income taxes paid | | -2,497 | -397 |
| Loans granted | | - | -21 |
| Proceeds from repayments of loans | | 43 | 142 |
| **Net cash flows from operating activities** | | **6,163** | **21,579** |
| | | | |
| **Cash flows from investing activities** | | | |
| Purchase of tangible and intangible assets | 16, 17 | -1,688 | -2,096 |
| Proceeds from sale of tangible assets | 17 | 231 | 332 |
| Acquisition of subsidiaries, net of cash acquired | 14 | -4,609 | -2,082 |
| Disposal of subsidiaries | 14 | 500 | - |
| Disposal of equity accounted investments | 30 | - | 135 |
| Proceeds from sale of investments | | 311 | 41 |
| Proceeds from repayments of loans | | 190 | 8 |
| **Net cash flows from investing activities** | | **-5,065** | **-3,663** |
| | | | |
| **Cash flows from financing activities** | | | |
| Change in non-controlling interests | | -41 | -118 |
| Repayment of current borrowings | 25 | -4,328 | -3,204 |
| Repayment of non-current borrowings | 25 | - | -79 |
| Payment of lease liabilities | 25 | -2,050 | -1,998 |
| Dividends paid | 23 | -4,021 | -2,779 |
| **Net cash flows from financing activities** | | **-10,439** | **-8,177** |
| | | | |
| **Net change in cash and cash equivalents** | | **-9,341** | **9,739** |
| | | | |
| Cash and cash equivalents at the beginning of the financial year | | 15,447 | 5,710 |
| Effects of exchange rate changes | | - | -1 |
| **Cash and cash equivalents at the end of the financial year** | | **6,106** | **15,447** |

The notes are an integral part of the consolidated financial statements.

# Changes in equity (IFRS)

| EUR thousand | Note | Share capital | Reserve for invested unrestricted equity | Fair value reserve | Translation differences | Retained earnings | Total | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| | | Attributable to the owners of the parent | | | | | | | |
| **Equity 1 Jan 2021** | | **80** | **106,572** | **-3** | **-50** | **-5,714** | **100,885** | **2,859** | **103,744** |
| Profit (loss) for the period | | - | - | - | - | 7,601 | 7,601 | 480 | 8,081 |
| Other comprehensive income: | | | | | | | | | |
| Change in fair value | | - | - | 3 | - | - | 3 | - | 3 |
| Translation differences | | - | - | - | 50 | - | 50 | - | 50 |
| **Other comprehensive income for the period, net of tax** | | **-** | **-** | **3** | **50** | **-** | **52** | **-** | **52** |
| **Total comprehensive income** | | **-** | **-** | **3** | **50** | **7,601** | **7,653** | **480** | **8,134** |
| **Transactions with owners** | | | | | | | | | |
| Dividend distribution | 23 | - | - | - | - | -3,737 | -3,737 | -284 | -4,021 |
| Share issue | 23 | - | 1,305 | - | - | - | 1,305 | - | 1,305 |
| Changes in non-controlling interests | 29 | - | - | - | - | -23 | -23 | -18 | -41 |
| Share based payments | 7 | - | - | - | - | 16 | 16 | - | 16 |
| **Total equity 31 Dec 2021** | | **80** | **107,876** | **-** | **-** | **-1,857** | **106,099** | **3,037** | **109,136** |
| | | | | | | | | | |
| **Equity 1 Jan 2020** | | **80** | **106,572** | **75** | **-53** | **-5,864** | **100,809** | **1,024** | **101,833** |
| Profit (loss) for the period | | - | - | - | - | 2,680 | 2,680 | 515 | 3,195 |
| Other comprehensive income: | | | | | | | | | |
| Change in fair value | | - | - | -78 | - | - | -78 | - | -78 |
| Translation differences | | - | - | - | 4 | 5 | 8 | - | 8 |
| **Other comprehensive income for the period, net of tax** | | **-** | **-** | **-78** | **4** | **5** | **-69** | **-** | **-69** |
| **Total comprehensive income** | | **-** | **-** | **-78** | **4** | **2,685** | **2,611** | **515** | **3,126** |
| **Transactions with owners** | | | | | | | | | |
| Dividend distribution | 23 | - | - | - | - | -2,485 | -2,485 | -294 | -2,779 |
| Changes in non-controlling interests | 29 | - | - | - | - | -59 | -59 | 1,613 | 1,554 |
| Share based payments | 7 | - | - | - | - | 9 | 9 | - | 9 |
| Other changes | | - | - | - | - | 1 | 1 | 1 | 2 |
| **Total equity 31 Dec 2020** | | **80** | **106,572** | **-3** | **-50** | **-5,714** | **100 885** | **2,859** | **103,744** |

The notes are an integral part of the consolidated financial statements.

# Notes to the Consolidated Financial Statements

## 1. General information and basis of preparation

### GENERAL INFORMATION

Eezy Group is a versatile HR services company creating successful work experiences by offering staffing services and light entrepreneurship services as well as a wide range of professional services for the working life.

Eezy's services include staffing services, professional services as well as light entrepreneurship services. Staffing services are provided through franchisees in addition to Group companies. Services are provided to a broad range of sectors including the hotel and restaurant, retail, manufacturing, construction and health care services sectors.

Eezy Plc ("parent company", "Eezy Plc"), the parent company of Eezy Group ("Eezy", "Group") is a Finnish public limited company with a business ID of 2854570-7. The domicile of Eezy Plc is in Helsinki, Finland and the registered postal address is PL 901, 20101 Turku.

A copy of the consolidated financial statements is available at the website www.eezy.fi.

The Board of Directors of Eezy Plc has approved the publication of these financial statements in its meeting on 16 February 2022. According to the Finnish Limited Liability Companies Act, shareholders are authorized to approve or reject the financial statements in the Annual General Meeting held after the publication. The Annual General Meeting can also decide on the amendments of the financial statements.

Eezy Group consist of the parent company Eezy Plc and its subsidiaries.

### BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by the SIC and IFRIC interpretations in force as at 31 December 2021. International Financial Reporting Standards refer to the standards and their interpretations approved for application in the EU in accordance with the procedure stipulated in the EU Regulation (EC) No. 1606/2002 and embodied in the Finnish Accounting Act and provisions under it. The notes to the consolidated financial statements have also been prepared in accordance with the requirements in Finnish accounting legislation and Community law that complement IFRS regulations.

The consolidated financial statements are prepared for a calendar year, which is the financial period of the parent company and the Group companies. The consolidated financial statements are presented in thousands of euros, unless otherwise stated. Additionally, the sum of individual numbers may deviate from the presented sum figure due to rounding differences. The comparative prior year information is presented in brackets after the information for the current financial year. The consolidated financial statements are presented in euros, which is the parent company's functional and presentation currency.

The information in the consolidated financial statements is based on original acquisition costs, except where otherwise stated in the accounting policy.

### SEGMENTS

Staffing is the core business of the Group and the Group operates in the domestic market. The Board of Directors of the parent company is the chief operating decision maker (CODM) that makes decision on the allocation of resources and reviews the profit or loss. The operations of the Group are managed and reviewed as a whole and therefore the Group has only one segment. The figures that the CODM reviews do not differ materially from the figures presented in the consolidated income statement and balance sheet. No geographical information is presented as since January 2021 the Group operates only in Finland and in comparative year mainly in Finland.

### FOREIGN CURRENCY ITEMS

The consolidated financial statements are presented in euros, which is the parent company's functional and presentation currency. Group's transactions are mainly denominated in euros. Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions.

The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet,
- income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- all resulting exchange differences are recognized in other comprehensive income.

In financial year 2021 the Group had no functional currencies different from presentation currency.

## 2. Significant management judgement and estimates

The preparation of consolidated financial statements requires management to use judgement and estimates, which have an impact on the application of the accounting policy and the amounts of significant assets, liabilities, income and expenses. The actual results may differ from these estimates. The changes in accounting estimates are recognized in the financial year in which the change in estimate occurs as well as in future financial years on which they have an impact. Information on significant areas, which include significant estimates, uncertainties and judgement in the application of the accounting policies related to the items in the consolidated financial statements are presented in the following notes.

- 3. Revenue
- 12. Income taxes
- 14. Business combinations
- 16. Intangible assets
- 18. Leases
- 20. Deferred tax assets and liabilities
- 27. Financial risk management

Estimates and judgement are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the company and that are assumed to be reasonable under the circumstances.

### EFFECT OF COVID-19 TO ACCOUNTING ESTIMATES AND GROUP'S BUSINESS

Total effect of Corona virus pandemic on revenue has differed during the pandemic according to restrictions. Corona virus pandemic has had a negative effect on both general economic conditions in Finland and internationally, as well as customers businesses, which in turn has reduced the demand for staffing services and other HR services provided by the Group. Spreading of COVID-19 virus and restrictions and negative effects on customer demand caused by it have affected adversely Eezy's financial result and business, especially in the Horeca sector, which is impacted by the restrictions posed on restaurants. Restrictions on travelling have also an impact on importing foreign labor. Corona's negative effects are seen also in the industrial and constructions sectors, but the situation has improved in the second half of the year 2021. Omicron wave in the end of year 2021 has again weakened especially Horeca sector and increased the level of risk. Eezy's management has updated business forecasts according to the effects of the pandemic, but the outlook for short-term development considering level of vaccinations and width of restrictions has been challenging since the operational requirements of our customers can change rapidly, for example due to new variants.

***The key assumptions of impairment testing***

Group assesses on every reporting date if there are indicators of impairment of goodwill. If any signs are detected, the carrying value of goodwill is compared to recoverable amount. In 2021 and 2020, impairment testing has been performed quarterly. The business growth and EBITDA used in goodwill impairment testing are based on management's assessment of the speed of recovery from the current COVID-19 situation as well as the future market demand and availability of workforce. More information on intangible assets is provided on note 16.

***Financial risk management***

The most significant financial risks for Eezy are liquidity risk and credit risk.

Liquidity risk relates to ensuring and maintaining sufficient financing for Eezy. Eezy strives to continuously assess and monitor the amount of financing needed for the business operations, by, among others, performing a monthly analysis on the sales development and investment needs in order to ensure the Group has sufficient liquid assets to finance the operations and to repay the borrowings when they fall due. Due to COVID-19 some of customers' ability to pay was estimated to be weakened especially in 2020 and to ensure sufficient financing, the Group utilised relaxed due dates of pension payments and taxes in spring 2020.

Credit risk arises specially from trade receivables and the growth funding receivables. The Group monitors continuously the level of write downs on receivables and changes the models by taking into account existing conditions and forward-looking information. Due to COVID-19 some of customers' ability to pay are estimated to be weakened especially in 2020 and the Group has recognised write-downs totalling EUR 227 (2 515) thousand and reversed unused amount of EUR 307 (42) thousand.

More information on financial risk management is provided on note 27.

## 3. Revenue

Eezy's revenue comprises income from staffing services, professional services and light entrepreneurship services.

In staffing services Eezy provides the customer the resources agreed. Eezy seeks employees through open applications as well as through its own employee pool in order to find an employee fulfilling the customer requirements within a short notice. The employee signs the employment contract with Eezy and Eezy is responsible for all the employer obligations, but work is performed under the customer company's management. Staffing services' revenue consists of income from services performed and invoiced by Eezy Group companies.

In franchising services, Eezy signs a contract with local franchisees, which gives the local company a right to sell services using Eezy's business concept and brand. Eezy also offers business support services to their customers. Franchising revenue comprises charges based on cooperation agreements.

In the professional service area, Eezy provides recruitment, aptitude testing, training and development and executive search services to its customers. Additionally, Eezy provides consulting services for organizational development and personnel surveys. Flow acquisition in 2020 increased the share of consulting services and the Valmennuskeskus acquisition in late 2021 increased the amount of training and coaching services. Valmennuskeskus offers workforce training, coaching, guidance and rehabilitation services as well as entrance examination courses and courses for upper secondary school students for private customers.

Light entrepreneurship services comprise the invoicing and business support services provided to the employee customers and the revenue from light entrepreneurship services comprise the fees collected from the employee customers. With the light entrepreneurship services provided to private persons they can operate as independent entrepreneurs without establishing a company of their own.

Revenue by service area:

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Staffing services | 178,054 | 173,388 |
| Franchise fees | 7,058 | 6,106 |
| Professional services | 15,723 | 8,422 |
| Light entrepreneurship services | 2,493 | 2,721 |
| **Total revenue** | **203,328** | **190,637** |

Eezy has two business units. The Work and Talent business unit offers services for staff leasing, recruitment, headhunting and relocation, through its own business units as well as through its franchise units. The Growth and Renewal business unit offers organisational and management research and development services, as well as training and coaching services. It also develops and sells services and platforms that promote the renewal of the working life, such as light entrepreneurship services.

Revenue by business unit:

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Work and Talent | 193,138 | 184,417 |
| Growth and Renewal | 10,190 | 6,220 |
| **Total revenue** | **203,328** | **190,637** |

Bad debt provisions related to trade receivables and contractual assets are presented in note 27.

Eezy does not have incremental costs for obtaining a contract or costs to fulfil a contract.

### ACCOUNTING POLICY

***Revenue recognition***

Revenue is recognized when service or goods have been delivered and control is perceived to been transferred to the customer to amount in which Eezy expects to be entitled to based on the customer contract in exchange for the services performed.

### STAFFING SERVICES

In staffing services Eezy signs a contract with the customer, in which the personnel resourced required by the customer are determined, and for which Eezy invoices according to principles defined in the contract. The range of services, contract terms and the length of the contract varies by customers. Assignments are mainly fixed-term contracts.

Staffing services are considered as a series of (distinct) services, as each working hour is a distinct item, services are substantially the same, and have the same pattern of transfer to the customer over time. These series of services are recognized as one performance obligation.

The price for the services is agreed on the customer contract, in which set prices are given for each service. Customer contracts do not include any significant variable consideration. The staffing services are mainly invoiced every two weeks. Typical payment term is 7–14 days net.

Revenue are recognized over time as the customer benefits from the staffing services simultaneously as services are rendered. In addition, Eezy utilizes the practical expedient provided in IFRS 15 and recognizes the revenue for services provided by the reporting date in the amount to which it has a right to invoice.

In staffing service contracts including growth funding arrangements, which Eezy has because of acquisition of Smile in 2019, the customer is obliged to purchase the amount of staffing services defined in the contract during a certain period. Contracts including growth funding arrangements are fixed-period contracts; typically 1–5 years. Eezy makes a growth funding payment to the customer based on a purchase commitment defined in the contract. Purchase commitment has been determined based on annual purchase estimate informed by the customer. By its nature, a growth funding payment is an advanced payment paid to the customer based on a purchase commitment and therefore recognized in receivables. The customer earns the growth funding paid in advance during the contract period based on the purchases made by them. The growth funding is a discount paid to the customer in advance which is recorded as a deduction of revenue when services are rendered to the customer.

Growth funding is recognized in other current and non-current receivables. The total amount of growth funding receivables was EUR 1 041 thousand as at 31 December 2021 (EUR 1 458 thousand as at 31 December 2020). Based on management estimate, growth funding receivables will be deducted from the recognized revenue during the next 1 to 5 years. More information on growth funding is presented in note 27.

#### FRANCHISING

Eezy Group signs cooperation agreements with chain entrepreneurs, which, based on management judgement, comprises the following performance obligations. According to the cooperation agreement, Eezy provides to the local franchisee firstly the franchising right, i.e. the right to sell services using Eezy's business concept and brand and secondly business support services.

According to the cooperation agreement, a local entrepreneur pays a cooperation fee to Eezy which includes the franchising right and business support services. The franchising right is a license as the local entrepreneur is given a right to use Eezy's intellectual property. Revenue is recognized over time. The cooperation charges are payments based on the local entrepreneurs' revenue and/or gross profit and revenue is recognized as the local entrepreneurs' sales occurs. Revenue from the business support services is also recognized over time as the customer simultaneously benefits from the service as Eezy provides it.

#### PROFESSIONAL SERVICES

In recruitment and outplacement services Eezy provides its customers the whole recruitment process or parts if it. Eezy also provides consulting services for organizational development and personnel surveys. Additionally, Eezy provides workforce training, coaching, guiding and rehabilitation services for the public sector as well as university entrance examination courses and courses for upper secondary school students for private customers. Professional services are considered as a series of distinct services, as each working hour is a distinct item, services are substantially the same, and have the same pattern of transfer to the customer over time. Revenue from these services is recognized as services are rendered.

The customer contracts don't include return or refund obligations or specific terms on warranties. Typical payment term agreed in the contract is 14–30 days net.

#### LIGHT ENTREPRENEURSHIP SERVICES

Light entrepreneurship services comprise invoicing and administration services provided to the customers. A private individual selling one's own expertise, invoices the services provided through Eezy's service and receives the payment agreed with their customer with Eezy's fee deducted from the balance. According to the management only one performance obligation is included in the customer contract: an invoicing service, which includes separate tasks. Although the service includes separate tasks, all are substantially the same, and have the same pattern of transfer to the customer (series of distinct services). Revenue from invoicing service is recognized as services are rendered, i.e. when the client's customer is invoiced.

#### *Contractual assets and liabilities*

Contract assets are presented in other current and non-current receivables and related liabilities in current and non-current other liabilities. Receivables that Eezy has an unconditional right to receive, i.e. only the passage of time is required before payment of the consideration is due, are presented as trade receivables.

#### *Significant management judgement and estimates*

Revenue is recognized to the extent that it is highly probable that a significant reversal in the amount of revenue will not occur. Eezy's management uses judgement when growth funding is recognized as deduction of revenue when services are rendered. Customer earns the growth funding paid in advance during the contract term based on purchases. Purchase commitment is defined based on the yearly purchase estimate made by the customer. By its nature growth funding is an advance payment paid to customer which is recognized as reduction of revenue when services are rendered to the customer. The purchase estimate informed by the customer may differ from the actual purchases and therefore the amounts recognized in revenue may differ from the estimate.

## 4. Other operating income

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Change in VAT handling | 1,688 | - |
| Grants received | 1,079 | 1,052 |
| Gain on disposal of investments in group companies | 109 | - |
| Gain on disposal of equity accounted investments | - | 51 |
| Gain on disposal of tangible and intangible assets | 22 | 7 |
| Other operating income | 171 | 220 |
| **Total** | **3,070** | **1,330** |

Other operating income include a change in light entrepreneurship service fee's VAT handling of EUR 1 688 thousand in 2021 (EUR 0 thousand in 2020).

Grants received include a corona subsidy from State treasury totaling EUR 1 000 thousand in 2021 (EUR 800 thousand in 2020).

## 5. Materials and services

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Recruitment costs | -245 | -314 |
| Other external services | -5,815 | -4,130 |
| **Total** | **-6,059** | **-4,444** |

Other external services consist primarily of sub-contracting and other services.

## 6. Personnel expenses

Eezy's personnel expenses consists of wages and salaries, pension and social security expenses and expenses related to the share-based payments. The Group's pension plans are classified as defined contribution plans.

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Wages and salaries | -137,558 | -130,649 |
| Pension expenses | -23,515 | -19,779 |
| Share-based payments (note 7) | -17 | -19 |
| Other social security expenses | -4,487 | -4,678 |
| **Total** | **-165,576** | **-155,124** |

Key management remuneration is presented in note 13. Related party transactions.

**ACCOUNTING POLICY**

Pension obligations are classified as defined benefit plans or defined contribution plans. The Group's statutory pension plans in Finland are classified as defined contribution plans. For defined contribution plans, the Group pays contributions to a separate fund, i. e. pension insurance companies. The Group does not have legal or constructive obligations to further payments if the fund does not have sufficient assets to pay the employee benefits related to the employee service from current and prior periods. Contributions to the defined contribution plans are recognized in the income statement in the period to which the contributions relate. Eezy does not have any defined benefit plans.

The average number of employees during the financial year in presented in the table below:

| | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Salaried employees | 374 | 370 |
| Workers | 3,320 | 3,309 |
| **Total** | **3,694** | **3,679** |

## 7. Share-based payments

The Board of Directors of Eezy Plc decided on 17 December 2019 on a long-term share-based compensation plan (LTIP 2019–2026) targeted to key employees and on 30 November 2021 to amend the terms due to the changes in the company's business environment caused by the coronavirus pandemic. The terms of the long-term incentive were amended by extending the duration of the long-term incentive plan by one year until 2026 and adding a new earning period.

The aim of the incentive plan is to align the objectives of the shareholders and the key personnel in order to increase the value of the company as well as to ensure the execution of business strategy on a long-term basis. In addition, the aim is to engage the key personnel of the company and to offer them a competitive incentive plan based on share ownership and the development of the company's value.

The share-based incentive plan contains five earning periods. The first 13 months earning period started on 1 December 2019 and ended on 31 December 2020. The second 13 months earning period started on 1 December 2020 and ended on 31 December 2021. The third 13 months earning period started on 1 December 2021 and ends on 31 December 2022. The fourth 24 months earning period starts on 1 January 2023 and ends on 31 December 2024. The fifth 24 months earning period starts on 1 January 2025 and ends on 31 December 2026. The Company's Board of Directors determines the reward criteria and their target levels as well as the employees covered by the incentive plan before the beginning of each earning period.

No shares were issued for the first and second earning periods.

From the third period a maximum of 246,000 shares can be paid as compensation. The compensation will be paid to the key personnel in the spring of 2023. The payment of the compensation is subject to the condition that the key employee's employment or service relationship has not been terminated prior to the payment. Additionally, the payment is subject to achieving the set revenue and operating profit margin targets. The amount of compensation paid is subject to the achievement levels of the performance targets. The Board of Directors has the right to pay the compensation in shares, cash or as a combination of these. Based on management's judgement, the compensation will be paid as a combination of shares and cash.

The fair value of the shares granted is determined based on the company's quoted share value reduced by the estimated number of dividends paid during the accounting period.

| Long-term (2019–2026) share-based compensation plan | Earning period 1 Dec 2019–31 Dec 2020 |
|---|---|
| Number of shares granted (maximum) | 137,210 |
| Number of shares forfeited | 31,008 |
| Number of shares not exercised | 106,202 |
| Number of shares granted as at 31 Dec 2021 | 0 |
| Share price at the beginning of service | 6.25 |
| Performance conditions | Service condition |
| | Revenue growth and operating profit % |
| Estimated time of payment | No payment |
| Payment method | Combination of shares and cash |
| Number of participants | 7 |

| Long-term (2019–2026) share-based compensation plan | Earning period 1 Dec 2020–31 Dec 2021 |
|---|---|
| Number of shares granted (maximum) | 179,091 |
| Number of shares forfeited | - |
| Number of shares not exercised | 179,091 |
| Number of shares granted as at 31 Dec 2021 | 0 |
| Share price at the beginning of service | 4.87 |
| Performance conditions | Service condition |
| | Revenue and operating profit |
| Estimated time of payment | No payment |
| Payment method | Combination of shares and cash |
| Number of participants | 8 |

| Long-term (2019–2026) share-based compensation plan | Earning period 1 Dec 2021–31 Dec 2022 |
|---|---|
| Number of shares granted (maximum) | 246,000 |
| Number of shares forfeited | - |
| Number of shares granted as at 31 Dec 2021 | 246,000 |
| Share price at the beginning of service | 5.92 |
| Performance conditions | Service condition |
| | Revenue and operating profit % |
| Estimated time of payment | March 2023 |
| Payment method | Combination of shares and cash |
| Number of participants | 18 |

The amount of expenses recognized in the accounting period is EUR 17 (19) thousand, of which EUR 16 (9) thousand is from the share portion and recognized within the equity. The amount of the liability recognized in the balance sheet is EUR 16 (16) thousand as at 31 December 2021.

**ACCOUNTING POLICY**

Eezy has a share-based compensation plan where the settlement is a combination of equity and cash. The cost is recognized over the period during which the employee has to remain in the company's payroll in order the award to vest. Cost is recognized from the grant date or the service beginning date, whichever is earlier, until the settlement date.

The component paid as equity (shares) is recognized as an expense measured at the grant date fair value and is not remeasured after the grant date. The performance conditions of the arrangement are non-market conditions and are not taken into account in the grant date fair value but instead are taken into account by adjusting the number of shares that are expected to vest. The expense recognized is based on management's judgement on the likelihood of achieving the performance conditions, and as such the number of shares that are expected to vest. In addition, the expense recognized is impacted by the company's management's estimate on the number of participants in the arrangement that will remain in the company's payroll until the award is settled. The achievement of vesting conditions is estimated at the end of each reporting period and ultimately the amount recognized is based on the number of shares that eventually vest. The cash-settled component is measured at the end of each reporting period and at the liability settlement date. Also, for the cash-settled award, the amount recognized is impacted by the management's estimate on the achievement of performance targets and the number of the participants in the arrangement that will remain in the company's payroll until the award is settled.

The expense on the component settled in shares is recognized as personnel expenses and the corresponding amount is credited in retained earnings. The cash-settled amount is recognized as personnel expenses and as non-current other liabilities in the balance sheet.

## 8. Depreciation, amortization and impairment

Depreciation, amortization and impairment by asset class is presented in the table below:

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| **Acquisition related amortization** | | |
| Trademarks | -249 | -248 |
| Customer relationships | -2,727 | -2,666 |
| Non-competition agreements | -1,068 | -1,001 |
| **Total** | **-4,045** | **-3,914** |
| | | |
| **Other intangible assets** | | |
| Trademarks | -24 | -12 |
| IT software | -1,167 | -1,556 |
| Development costs | -14 | - |
| **Total** | **-1,204** | **-1,568** |
| | | |
| **Total amortization, intangible assets** | **-5,249** | **-5,482** |
| | | |
| **Property, plant and equipment** | | |
| Buildings | -147 | -119 |
| Buildings, right-of-use | -1,974 | -1,959 |
| Machinery and equipment | -138 | -242 |
| Machinery and equipment, right-of-use | -173 | -105 |
| Other property, plant and equipment | - | -23 |
| **Total** | **-2,431** | **-2,448** |
| | | |
| **Total other depreciation, amortization and impairment losses**[1] | **-3,636** | **-4,016** |
| | | |
| **Total depreciation and amortization** | **-7,680** | **-7,929** |

[1] Total other depreciation, amort ization and impairment losses is total depreciation and amortization less the acquisition related amortization.

The acquisition related amortization comprises the amortization made on the recognized fair value adjustments arisen from business combinations.

## 9. Other operating expenses

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Administrative expenses | -3,492 | -4,090 |
| Travelling expenses | -3,079 | -3,385 |
| Marketing expenses | -2,990 | -2,973 |
| IT machinery and software expenses | -2,734 | -2,360 |
| Personnel related expenses | -1,007 | -530 |
| Facility maintenance expenses | -438 | -1,248 |
| Transaction expenses related to acquisitions | -415 | -210 |
| Credit losses | 80 | -2,473 |
| Other operating expenses[1] | -1,195 | -1,635 |
| **Total** | **-15,270** | **-18,904** |

[1] Other expenses consist of multiple items that are not material separately.

## 10. Auditors' fees

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Statutory audit | 235 | 184 |
| Other advisory services | 7 | - |
| Tax advisory services | 14 | 25 |
| Other services | 58 | 96 |
| **Total** | **313** | **305** |

Auditor fees include the fees paid to the auditors of each Group company. Other services include mainly the expenses related to the acquisitions.

## 11. Financial income and expenses

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| **Financial income** | | |
| Interest income from receivables | 68 | 64 |
| Gain on disposal of financial assets carried at fair value | - | 28 |
| Other financial income | 81 | 58 |
| **Total** | **149** | **150** |
| | | |
| **Financial expenses** | | |
| Interest expenses from borrowings | -1,265 | -1,332 |
| Interest expenses from lease liabilities | -131 | -114 |
| Other interest expenses | -94 | -175 |
| Other financial expenses | -123 | -81 |
| **Total** | **-1,614** | **-1,702** |
| | | |
| **Total financial income and expenses** | **-1,465** | **-1,552** |

## 12. Income taxes

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Current income tax expense | -2,803 | -1,577 |
| Adjustments to taxes for prior periods | 1 | 0 |
| Total current income tax expenses | -2,802 | -1,577 |
| | | |
| Change in deferred tax assets | -172 | 98 |
| Change in deferred tax liabilities | 708 | 660 |
| Deferred tax expense/benefit | 536 | 758 |
| | | |
| **Total income taxes** | **-2,266** | **-819** |

The reconciliation between income tax expense and tax payable is presented in the table below:

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Result for the period before taxes | 10,348 | 4,014 |
| Tax calculated at the Finnish tax rate of 20% | -2,070 | -803 |
| Tax effect of tax free and non-deductible items: | | |
| Effect of the expenses not deductible for tax purposes [1] | -224 | -206 |
| Effect of the tax-free income | 26 | 24 |
| Utilization of previously unrecognized deferred tax assets | - | 148 |
| Recognition of deferred tax assets for previously unrecognized losses | - | 20 |
| Losses for which no deferred tax asset has been recognized | - | - |
| Effect of other tax rates for foreign subsidiaries | - | -2 |
| Adjustments in respect to prior years | 1 | - |
| **Total income taxes** | **-2,266** | **-819** |

[1] Non-deductible items consist mainly of costs related to acquisitions.

Deferred tax assets and liabilities have been measured using the tax rate of 20%. The effective tax rate of the Group was 22 (20) %.

ACCOUNTING POLICY

The tax expense in profit or loss consist the tax based on the taxable income for the financial year and deferred taxes. Taxes are recognized in the profit or loss, except when they are directly related to the items recognized in equity or other comprehensive income, when the tax impact is also recognized as a corresponding item within equity. Taxes based on the taxable income for the financial year is calculated using the applicable income tax rate in each country. The tax expense for the financial year is adjusted by any taxes related to the previous financial years.

***Significant management judgement and estimates***

The tax expense recognized in profit or loss consists of the tax based on the taxable profit for the financial year, taxes related to the previous financial years and changes in deferred taxes. The management estimates the utilization of deferred tax assets against any future taxable profit. Management judgement on income taxes is presented in notes 14 and 20.

## 13. Related party transactions

Transactions and balances with related parties:

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Communities that hold significant control in community | | |
| Sales | 10,566 | 9,322 |
| Purchases | -257 | -87 |
| Trade receivables | 2,016 | 797 |
| Trade payables and other liabilities | 10 | 3 |
| Associated companies | | |
| Loan receivables | - | 61 |

Eezy had an office lease contract with a company controlled by a member of a related party until December 2020. Related party transactions are made on the same terms and conditions as transactions with independent parties. Related party loans and receivables are presented in notes 21, 26 and 27.

Key management remuneration is presented below:

### BOARD OF DIRECTORS REMUNERATION

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Tapio Pajuharju | 48 | 44 |
| Kati Hagros | 25 | 24 |
| Liisa Harjula | 25 | 24 |
| Timo Laine | 24 | 22 |
| Timo Mänty | 24 | 22 |
| Paul-Petteri Savolainen | 24 | 22 |
| Jarno Suominen | 25 | 24 |
| Mika Uotila | 24 | 22 |
| **Total** | **220** | **203** |

### KEY MANAGEMENT WAGES AND SALARIES

(not including CEO)

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Wages, salaries and benefits | 782 | 861 |

### CEO REMUNERATION

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Wages, salaries and benefits | 296 | 259 |

### MANAGEMENT COMPENSATION

(Board of Directors, CEO, key management)

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Short-term employee benefits | 1,324 | 1,133 |
| Post-employment benefits | 190 | 185 |
| Termination benefits | - | 217 |
| Share-based payments | 9 | 14 |
| **Total** | **1,523** | **1,549** |

Key management wages and salaries include severance payments in 2020.

***CEO pension obligations and severance compensation***

The CEO participates in the statutory Finnish pension scheme (TyEL) under the Employees Pension Act under which the pension is based on the service period and earnings. No specific retirement age has been agreed. The pension expenses recognized was EUR 52 (43) thousand. The CEO's term of notice is three months in case the CEO decides to resign and nine months if the contract is terminated by the company. The CEO will receive normal compensation during the termination period and is not entitled to a separate compensation.

### ACCOUNTING POLICY

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decision. Eezy's related parties include associated companies and key management personnel. Key management personnel include members of the board of directors and the group management team, CEO and substitute CEO, and their close family members. In addition, Eezy's related parties include owners that use control or exercise significant influence in Eezy Plc and companies in which they have control or companies in which the person that uses control in Eezy Plc exercises significant influence or belongs to the company's or its parent's management. The Group structure is presented in note 28.

## 14. Business combinations and disposal of subsidiaries

*Acquisitions 2021*

#### ACQUISITION OF EEZY VALMENNUSKESKUS, EEZY TRITON AND VALUESCOUT

Eezy strengthened its offering to the public sector by acquiring KK Valmennuskeskus Oy (current Eezy Valmennuskeskus Oy) on 1 November 2021. The revenue of Valmennuskeskus is approx. EUR 10 million.

On 1 October 2021 Eezy strengthened its import of labour from outside Finland through its purchase of Triton Henkilöstöpalvelut Oy (current Eezy Triton Oy), which is a company that imports labour to Finland from several eastern European countries. Eezy Triton Oy was established in 2018 and revenue stands at approx. EUR 4 million.

Eezy strengthened its research business by acquiring ValueScout research method business on 1 June 2021. ValueScout is a research method which examines emotional experience and finds hidden growth potential in customer, brand and personnel experience.

| EUR thousand | Eezy Valmennuskeskus | Eezy Triton | ValueScout |
|---|---|---|---|
| **Purchase considerations** | | | |
| Cash consideration | 3,781 | 894 | 100 |
| Shares issued | 999 | 306 | - |
| Contingent consideration | 1,868 | - | - |
| **Total purchase consideration** | **6,647** | **1,200** | **100** |

#### SHARES ISSUED IN EXCHANGE FOR EEZY VALMENNUSKESKUS AND EEZY TRITON

The fair value of Eezy shares issued in exchange for Eezy Valmennuskeskus is EUR 999 thousand based on the number of 152 thousand shares and subscription price of EUR 6.5867 per share (volume weighted average price in 22–28 October 2021).

The fair value of Eezy shares issued in exchange for Eezy Triton is EUR 306 thousand based on the number of 46 thousand shares and subscription price of EUR 6.6750 per share (volume weighted average price in 27–29 September 2021).

#### CONTINGENT CONSIDERATIONS OF ACQUIRING EEZY VALMENNUSKESKUS AND VALUE SCOUT

Eezy acquired a 80% majority of the shares of Eezy Valmennuskeskus on 1 November 2021. According to the terms of the acquisition, both Eezy and the non-controlling interests of Eezy Valmennuskeskus have the right to execute trade over remaining 20% of the shares of Eezy Valmennuskeskus in 2024. The purchase price of the shares that Eezy may acquire later is based on the profitability of Eezy Valmennuskeskus in 2022–2023. Because of the sell and purchase options in the agreement, Eezy Valmennuskeskus has been consolidated by 100-percent to Eezy Group since 1 November 2021, and contingent consideration measured at fair value of EUR 1 868 thousand has been recorded for the purchase price of the non-controlling interest.

There is an additional contingent consideration included in the acquisition agreement of ValueScout, which is determined based on the sales margin for the period of 1 June 2021 – 30 May 2026. According to the company's management estimate, EUR 79 thousand represents the fair value of the additional purchase consideration at the time of acquisition. Based on the terms of the agreement, the seller does not have the right to access the contingent consideration if the key management person is not employed at the period of the contingent consideration. Therefore, the purchase consideration of EUR 79 thousand will be accounted for as personnel expense for the work performed after the acquisition during 2021–2026.

### FAIR VALUES OF THE ACQUIRED ASSETS AND LIABILITIES ASSUMED IN THE BUSINESS COMBINATIONS AT THE ACQUISITION DATE

| EUR thousand | Eezy Valmennuskeskus | Eezy Triton | ValueScout |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 2,127 | 165 | 34 |
| Property, plant and equipment | 24 | - | - |
| Receivables | 256 | - | - |
| **Total non-current assets** | **2,407** | **165** | **34** |
| **Current assets** | | | |
| Trade receivables and other receivables | 1,709 | 441 | - |
| Current income tax receivable | 14 | - | - |
| Cash and cash equivalents | 3 | 122 | - |
| **Total current assets** | **1,726** | **563** | **-** |
| **Total assets** | **4,133** | **728** | **34** |
| | | | |
| **Non-current liabilities** | | | |
| Loans from financial institutions | 557 | - | - |
| Deferred tax liability | 354 | 33 | 7 |
| **Total non-current liabilities** | **911** | **33** | **7** |
| **Current liabilities** | | | |
| Loans from financial institutions | 239 | - | - |
| Trade payables and other liabilities | 1,098 | 505 | - |
| Current income tax liabilities | 265 | 6 | - |
| **Total current liabilities** | **1,602** | **510** | **-** |
| **Total liabilities** | **2,531** | **543** | **7** |
| | | | |
| **Net assets acquired** | **1,620** | 185 | 27 |
| **Goodwill** | **5,027** | **1,016** | **73** |
| **Purchase consideration** | **6,647** | **1,200** | **100** |

### FAIR VALUES OF THE ACQUIRED IDENTIFIED INTANGIBLE ASSETS AT THE ACQUISITION DATE:

| EUR thousand | Eezy Valmennuskeskus | Eezy Triton | ValueScout |
|---|---|---|---|
| Customer relationships | 934 | - | - |
| Trademarks | 506 | - | 21 |
| Non-competition agreements | 329 | 165 | 13 |
| **Total** | **1,769** | **165** | **34** |

### EEZY VALMENNUSKESKUS

The gross amount of trade receivables at the date of the acquisition was EUR 929 thousand and it was estimated to be fully collectable.

Goodwill arising from the acquisition of Eezy Valmennuskeskus amounted to EUR 5,027 thousand which comprises mainly workforce, synergies and market position. The goodwill recognized in connection with the acquisition is not tax deductible.

The transaction costs of the acquisition amounted to EUR 163 thousand and are recorded in other operating expenses for the period 2021.

### EEZY TRITON

The gross amount of trade receivables at the date of the acquisition was EUR 341 thousand and it was estimated to be fully collectable.

Goodwill arising from the acquisition of Eezy Triton amounted to EUR 1,016 thousand which comprises mainly workforce, synergies and network of subcontractors. The goodwill recognized in connection with the acquisition is not tax deductible.

The transaction costs of the acquisition amounted to EUR 113 thousand and are recorded in other operating expenses for the period 2021.

### VALUESCOUT

Goodwill arising from the acquisition of ValueScout amounted to EUR 73 thousand which comprises mainly research method and know-how related to it. There were no transaction costs related to the acquisition.

### IMPACT ON EARNINGS

Revenue and profit (loss) for the period of the acquired companies from the date of acquisition included in the consolidated financial statements for the financial year 2021:

| EUR thousand | Eezy Valmennuskeskus | Eezy Triton |
|---|---|---|
| **Impact on the Group Revenue and Result** | | |
| Revenue | 1,581 | 705 |
| Result for the period | 142 | 46 |

If the acquisition had taken place on 1 January 2021, the pro forma consolidated revenue for the financial year from 1 January 2021 to 31 December 2021 would have been EUR 214,272 thousand and pro forma consolidated operating profit would have been EUR 12,480 thousand. The pro forma figures are based on the consolidated revenue and operating profit for the financial year 2021 as well as on the revenue and operating profit of the acquired company from the beginning of 2021 until the date of the acquisition. Figures have been adjusted related to the amortizations of intangible assets related to acquisition, as if acquisition had been done on 1 January 2021 and additional amortizations recorded since then.

### CASH FLOWS FROM PURCHASE CONSIDERATIONS DURING FINANCIAL YEAR 2021

| EUR thousand | Eezy Valmennuskeskus | Eezy Triton | ValueScout |
|---|---|---|---|
| Cash consideration | 3,781 | 894 | 100 |
| Deducted: Cash and cash equivalents acquired | -3 | -122 | - |
| Net cash flow | 3,778 | 772 | 100 |

*Acquisitions 2020*

### ACQUISITION OF FLOW CONSULTING, JAAKKO LEHTO EXECUTIVE SEARCH AND PROMOTIVE

Eezy Flow Oy (prev. Eezy Spirit Oy) acquired Flow Consulting on 1 October 2020 which is a management consulting and coaching company focusing on change management. Flow Consulting renews strategies, concepts, leadership as well as employee and customer experience. Eezy Flow is the market leader in Finland in employee satisfaction surveys. The intention is to create a strong player in the research, coaching and consulting market in order to respond to the changes in the working life.

Eezy Personnel acquired on 1 October 2020 the businesses of Jaakko Lehto Executive Search Oy and ProMotive Oy and strengthened its position as one of the largest players in the recruitment, executive search and outplacement markets.

| EUR thousand | Flow Consulting | Jaakko Lehto Executive Search | ProMotive |
|---|---|---|---|
| **Purchase considerations** | | | |
| Cash consideration | 1,406 | 75 | 75 |
| Shares issued | 1,676 | - | - |
| **Total purchase consideration** | **3,082** | **75** | **75** |

### EEZY FLOW SHARES ISSUED IN EXCHANGE FOR FLOW CONSULTING

Eezy Flow shares issued in exchange for Flow Consulting have been recorded at fair value of EUR 1,676 thousand.

### CONTINGENT CONSIDERATION OF ACQUIRING JAAKKO LEHTO EXECUTIVE SEARCH

There is an additional contingent consideration included in the acquisition agreement of Jaakko Lehto Executive Search, which is determined based on the EBITDA for the periods of 1 January – 31 December 2021, 1 January – 31 December 2022 and 1 January – 31 December 2023. According to the company's management estimate, EUR 301 thousand represents the fair value of the additional purchase consideration at the time of acquisition. Based on the terms of the agreement, the sellers do not have the right to access the contingent consideration if none of the key management personnel of Jaakko Lehto Executive Search is employed at the payment date of part of the contingent consideration. Therefore, the purchase consideration of EUR 301 thousand will be accounted for as personnel expenses for the work performed after the acquisition during 2021–2023. In case the EBITDA is below the level agreed on the agreement, the additional purchase consideration will not be paid.

### FAIR VALUES OF THE ACQUIRED ASSETS AND LIABILITIES ASSUMED IN THE BUSINESS COMBINATIONS AT THE ACQUISITION DATE:

| EUR thousand | Flow Consulting | Jaakko Lehto Executive Search | ProMotive |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 697 | 15 | 18 |
| Property, plant and equipment | 5 | - | - |
| Receivables | 9 | - | - |
| **Total non-current assets** | **711** | **15** | **18** |
| **Current assets** | | | |
| Trade receivables and other receivables | 495 | - | - |
| Cash and cash equivalents | 168 | - | - |
| **Total current assets** | **663** | **-** | **-** |
| **Total assets** | **1,374** | **15** | **18** |
| | | | |
| **Non-current liabilities** | | | |
| Deferred tax liability | 139 | 3 | 4 |
| **Total non-current liabilities** | **139** | **3** | **4** |
| **Current liabilities** | | | |
| Trade payables and other liabilities | 295 | - | - |
| Current income tax liabilities | 41 | - | - |
| **Total current liabilities** | **336** | **-** | **-** |
| **Total liabilities** | **476** | **3** | **4** |
| | | | |
| **Net assets acquired** | **898** | **12** | **14** |
| **Goodwill** | **2,184** | **64** | **61** |
| **Purchase consideration** | **3,082** | **75** | **75** |

### FAIR VALUES OF THE ACQUIRED IDENTIFIED INTANGIBLE ASSETS AT THE ACQUISITION DATE:

| EUR thousand | Flow Consulting | Jaakko Lehto Executive Search | ProMotive |
|---|---|---|---|
| Customer relationships | 346 | 11 | 14 |
| Non-competition agreements | 351 | 4 | 4 |
| **Total** | **697** | **15** | **18** |

### FLOW CONSULTING

The gross amount of trade receivables at the date of the acquisition was EUR 494 thousand and it was estimated to be fully collectable.

Goodwill arising from the acquisition of Flow Consulting amounted to EUR 2,184 thousand which comprises mainly workforce, synergies and market position. The goodwill recognized in connection with the acquisition is not tax deductible.

The transaction costs of the acquisition amounted to EUR 154 thousand and are recorded in other operating expenses for the period 2020.

### JAAKKO LEHTO EXECUTIVE SEARCH

Goodwill arising from the acquisition of Jaakko Lehto Executive Search amounted to EUR 64 thousand which comprises mainly workforce, synergies, market position and the expertise in its field of business.

There were no transaction costs related to the acquisition.

### PROMOTIVE

Goodwill arising from the acquisition of ProMotive amounted to EUR 61 thousand and it comprises mainly workforce, synergies, market position.

There were no transaction costs related to the acquisition.

### IMPACT ON EARNINGS

Revenue and profit (loss) for the period of the acquired company from the date of acquisition included in the consolidated financial statements for the financial year 2020:

| EUR thousand | Flow Consulting 1 Oct–31 Dec 2020 |
|---|---|
| Impact on the Group Revenue and Result | |
| Revenue | 677 |
| Result for the period | -58 |

If the acquisition had taken place on 1 January 2020, the pro forma consolidated revenue for the financial year from 1 January 2020 to 31 December 2020 would have been EUR 192,375 thousand and pro forma consolidated operating profit would have been EUR 5,855 thousand. The pro forma figures are based on the consolidated revenue and operating profit for the financial year 2020 as well as on the revenue and operating profit of the acquired company from the beginning of 2020 until the date of the acquisition. Figures have been adjusted related to the amortizations of intangible assets related to acquisition, as if acquisition had been done on 1 January 2020 and additional amortizations recorded since then.

### CASH FLOWS FROM PURCHASE CONSIDERATIONS DURING FINANCIAL YEAR 2020

| EUR thousand | Flow Consulting | Jaakko Lehto Executive Search | ProMotive |
|---|---|---|---|
| Cash consideration | 1,406 | 75 | 75 |
| Deducted: Cash and cash equivalents acquired | -168 | - | - |
| Net cash flow | 1,238 | 75 | 75 |

### OTHERS

Eezy purchased all the shares of Hazana Oy in January 2020. Hazana Oy was previously part of the Eezy franchise chain. Acquisition had no significant impact on the revenue and result of Eezy group in 2020.

In March, Eezy established Eezy United Oy together with minority shareholders. Eezy United shall start employing both current and former athletes.

### ACCOUNTING POLICY

The acquisitions are accounted for using the acquisition method. The cost of the acquisition is measured at the fair value of consideration transferred comprising of the fair values of the assets transferred, liabilities incurred to the former owners of the acquired business, equity interests issued as purchase consideration, and the fair value of any contingent consideration arrangement. The excess of the aggregate of the consideration transferred over the fair value of the net identifiable assets acquired is goodwill.

On the acquisition of a subsidiary, fair values are attributed to the identifiable net assets including identifiable intangible assets and contingent liabilities acquired.

***Significant management judgement and estimates***

The net assets acquired is measured at fair value. The fair value of the net assets acquired is based on market value or estimated expected cash flows (customer relationships, trademarks and non-competition agreements) or the estimated market value of similar assets. Eezy’s management has used judgement and made assumptions in the customer relationship and trademark fair value determination, which is based on the management assumptions and estimates of the expected long-term revenue and profitability development, length of the customer relationships and discount rate. In addition to the assumptions mentioned, management has made assumptions on the possible impact of competition to Eezy's business when valuing non-competition agreements. If the estimates and assumptions of the development of the business turns out to be too optimistic, an impairment may be required to be recognized on the assets. The management believes that the estimates and assumptions used are appropriate when determining fair values. The trademarks, customer relationships and non-competition agreements recognized as a result of acquisitions are presented in note 16. Intangible assets.

The fair value of the contingent consideration included in the acquisition purchase consideration is determined based on the present value of the expected cash flows. The final purchase consideration may differ from the amount estimated by management and these changes in fair value are recognized in the statement of comprehensive income. The carrying values of the contingent considerations recognized at the balance sheet date are presented in note 26. Trade payables and other liabilities.

***Divestments in financial year 2021***

Eezy sold its Swedish subsidiary VMP-Group Sweden AB to Palm & Partners Bemanning AB on 4 January 2021. The transaction did not significantly impact Eezy's result in 2021.

***Divestments in financial year 2020***

During financial year 2020 there were no disposal of subsidiaries.

## 15. Assets classified as held for sale

Eezy sold its Swedish subsidiary VMP-Group Sweden AB to Palm & Partners Bemanning AB on 4 January 2021. As of 31 December 2020, Eezy has classified VMP-Group Sweden AB and its subsidiaries' assets and liabilities as held for sale. VMP-Group Sweden provides staffing services to customers in Sweden. VMP-Group Sweden turnover was EUR 3.2 million and EBITDA EUR 0.2 million in 2020. The transaction did not significantly impact Eezy's result in 2021.

| EUR thousand | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| **Assets classified as held for sale** | | |
| Goodwill | - | 173 |
| Tangible assets | - | 172 |
| Trade receivables and other receivables | - | 572 |
| Cash and cash equivalents | - | 1,179 |
| **Assets classified as held for sale total** | **-** | **2,096** |
| **Liabilities directly associated with assets classified as held for sale** | | |
| Lease liabilities | - | 177 |
| Trade payables and other liabilities | - | 1,575 |
| **Liabilities directly associated with assets classified as held for sale total** | **-** | **1,752** |

## 16. Intangible assets

| EUR thousand | Goodwill | Trade-marks | IT Software | Customer relation-ships | Non-competition agreements | Development costs | Intangible assets total |
|---|---|---|---|---|---|---|---|
| Cost at 1 Jan 2021 | 127,938 | 2,623 | 8,144 | 26,870 | 3,315 | - | 40,953 |
| Acquisitions | 6,116 | 527 | 16 | 934 | 508 | 342 | 2,327 |
| Additions | - | 34 | 1,298 | - | - | 174 | 1,506 |
| Disposals | - | - | - | - | -150 | - | -150 |
| Cost at 31 Dec 2021 | 134,054 | 3,184 | 9,458 | 27,804 | 3,674 | 515 | 44,636 |
| | | | | | | | |
| Accumulated amortization and impairment at 1 Jan 2021 | - | -420 | -5,526 | -3,780 | -1,496 | - | -11,222 |
| Disposals | - | - | - | - | 150 | - | 150 |
| Amortizations | - | -273 | -1,008 | -2,727 | -1,068 | -14 | -5,090 |
| Impairments | - | - | -157 | - | - | - | -157 |
| Accumulated amortization and impairment at 31 Dec 2021 | - | -693 | -6,691 | -6,507 | -2,415 | -14 | -16,320 |
| | | | | | | | |
| Net carrying value at 1 Jan 2021 | 127,938 | 2,203 | 2,619 | 23,090 | 1,819 | - | 29,731 |
| **Net carrying value at 31 Dec 2021** | **134,054** | **2,491** | **2,767** | **21,297** | **1,259** | **501** | **28,314** |

| EUR thousand | Goodwill | Trade-marks | IT Software | Customer relation-ships | Non-com-petition agreements | Advances paid | Intangible assets total |
|---|---|---|---|---|---|---|---|
| Cost at 1 Jan 2020 | 125,757 | 2,596 | 5,808 | 26,500 | 2,956 | 56 | 37,916 |
| Translation differences | -1 | - | - | - | - | - | - |
| Acquisitions | 2,353 | - | - | 370 | 360 | - | 730 |
| Additions | - | 21 | 2,336 | - | - | - | 2,357 |
| Classification as held for sale | -173 | - | - | - | - | - | - |
| Transfers between classes | - | 6 | - | - | - | -56 | -50 |
| Cost at 31 Dec 2020 | 127,938 | 2,623 | 8,144 | 26,870 | 3,315 | - | 40,953 |
| | | | | | | | |
| Accumulated amortization and impairment at 1 Jan 2020 | - | -160 | -3 971 | -1 114 | -496 | - | -5 740 |
| Amortizations | - | -260 | -1,024 | -2,666 | -1,001 | - | -4,951 |
| Impairments | - | - | -531 | - | - | - | -531 |
| Accumulated amortization and impairment at 31 Dec 2020 | - | -420 | -5,526 | -3,780 | -1,496 | - | -11,222 |
| | | | | | | | |
| Net carrying value at 1 Jan 2020 | 125,757 | 2,436 | 1,831 | 25,386 | 2,460 | 56 | 32,169 |
| **Net carrying value at 31 Dec 2020** | **127,938** | **2,203** | **2,619** | **23,090** | **1,819** | **-** | **29,731** |

*Goodwill impairment testing*

Goodwill is tested for impairment annually to identify any impairment. In addition, the Group monitors any internal and external indicators to identify any signs for impairment. If signs are detected, the carrying value of goodwill is compared to recoverable amount. In 2020 and 2021, impairment testing has been performed quarterly.

In the goodwill impairment testing, the carrying value of the group of cash generating units (CGU) is compared to the recoverable amount of the CGU. Eezy has one CGU which is the segment defined by the company and is the level used to monitor the goodwill.

If the recoverable amount of the CGU is lower than the carrying value, the difference is recognized as an impairment loss in the statement of comprehensive income. Impairment tests have indicated that the recoverable amount of the CGU exceeds the carrying value and goodwill has not been impaired.

*Impairment testing and the key assumptions*

The recoverable amount of the CGU is determined using a value-in-use method. Value-in-use is calculated by discounting the future cash flows. The calculation of the recoverable amount is impacted primarily by changes in the forecasted EBITDA, discount rate used and the estimated revenue growth. The business growth and EBITDA are based on management's assessment of the speed of recovery from the current COVID-19 situation as well as the future market demand and environment.

The key assumptions used in the value-in-use calculations:

| | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| The average cumulative increase in revenue, forecast period | 10.4% | 12.7% |
| Terminal growth assumption | 1.0% | 1.0% |
| Average EBITDA, forecast period | 10.3% | 10.1% |
| Forecasted EBITDA, terminal value | 9.5% | 9.0% |
| Pre-tax discount rate | 10.9% | 10.5% |

Impairment testing calculations are based on the cash flow forecasts and the budget prepared by the Group's management team and approved by the Board of Directors, including the forecast and terminal periods. A five-year forecast period is used in the impairment testing calculations. The (after-tax) discount rate used is based on the weighted average cost of capital (WACC).

The management has determined the following assumptions used in the calculations:

| Assumption | Description |
|---|---|
| Revenue growth | Revenue growth is based on the review period forecast. The impact of the acquisitions completed in the financial year on the Group's revenue has been considered in the growth forecast. |
| EBITDA | EBITDA is based on the budgets, forecasted profitability development in the review period as well as expected long-term profitability. |
| Terminal growth assumption | The growth assumption for the terminal period has been determined as 1% which represents the long-term inflation projections. |
| Discount rate | The discount rate is determined based on peer company analysis. |

The forecasted cash flows are based on the existing business of the cash generating unit at the time of testing. Expansion investments have not been taken into account in the cash flow forecast estimates. The Group's cash generating unit provides mainly staffing services.

The management judgement and estimates regarding future have a central role in preparing the impairment testing calculations. The discounted cash flow method used in preparing the calculations requires forecasts and assumptions of which the most significant relate to revenue growth, the development of costs, the level of maintenance investments and changes in the discount rate.

The main uncertainty factors in calculations are the ultimate duration of the COVID-19 pandemic and speed of recovery in business. The growth assumption for the terminal period has been determined as 1% which represents the long-term inflation projections. It is possible that the predictions related to the cash flow forecasts are not achieved. As a result, the impairment of goodwill or other assets may have a significantly negative effect on the result and the financial position in the future periods.

The result of impairment testing is assessed by comparing recoverable amount of CGU to carrying value of CGU as follows:

| Recoverable amount / Carrying value | Test result |
|---|---|
| less than 1.0 | Impairment |
| 1.0–1.2 | Exceeds slightly |
| 1.2–1.5 | Exceeds clearly |
| more than 1.5 | Exceeds remarkably |

Test result of impairment testing exceeds remarkably, therefore no impairment losses have been recognized in any financial periods presented. The management has prepared a sensitivity analysis for the key factors and based on the management estimate none of the reasonably possible changes in the staffing service key assumptions would lead to a situation in which the recoverable amount would be less than the carrying value of the cash generating unit.

#### ACCOUNTING POLICY

Group's intangible assets comprise mainly goodwill arising from business combinations and other intangible assets identified in connection with the business combinations, such as trademarks, non-competition agreements and customer relationships.

#### GOODWILL

Goodwill arising from business combinations is the excess of the consideration paid, amount of non-controlling interest in the acquired entity and acquisition-date fair value of any previous equity interests in the acquired entity over the fair value of the net identifiable assets acquired. Goodwill represents the consideration paid for the future economic benefits that cannot be separately identified and recognized.

Goodwill is not amortized but is tested for impairment annually and whenever there is an indication that it might be impaired. Impairment loss is immediately recognized in the income statement if the carrying amount exceeds the recoverable amount. Impairment losses on goodwill are not reversed. Goodwill is measured at cost less any accumulated impairment losses incurred.

#### TRADEMARKS

Eezy has obtained trademarks for the acquired companies in the business combinations. As part of the purchase price allocation a value has been determined for significant trademarks and they are recognized in intangible assets.

#### DEVELOPMENT COSTS

Research expenses are booked as an expense as they are incurred. Development costs are recognized as an intangible asset when the Group can demonstrate that:

- the technical feasibility of completing the intangible asset so that the asset will be available for use or sale,
- the intention is to complete and its ability and intention to use or sell the asset,
- the asset will generate future economic benefits,
- the availability of resources is to complete the asset,
- is the ability to measure reliably the expenditure during development.

The development costs recognized as assets are amortized over their estimated useful lives. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

#### OTHER INTANGIBLE ASSETS

An intangible asset is recognized only if it is probable that future economic benefits will flow to the company and the cost can be measured reliably. The other intangible assets with finite useful life identified in the business combinations are recognized separately from goodwill if they meet the recognition criteria of an intangible asset, i.e. are separable or arise from contractual or other legal rights and if the cost can be measured reliably.

#### NON-COMPETITION AGREEMENTS

In the business combinations the seller generally agrees to a non-competition agreement related to staffing services for a limited duration. As part of the purchase price allocation a value has been determined for non-competition arrangements and they are recognized in intangible assets.

#### CUSTOMER RELATIONSHIPS

In the business combinations, a value has been determined for the existing customer contracts and customer relationships as a part of the purchase price allocation. The value determined in connection with the purchase price allocation has been recognized in intangible assets.

Intangible assets are amortized over the following estimated useful life:

| | |
|---|---|
| Trademarks | 10 years |
| IT software | 3–5 years |
| Non-competition agreements | 2–3 years |
| Customer relationships | 7–10 years |
| Development costs | 3–5 years |

The residual value, useful life and amortization method are reviewed at least at each financial year-end and adjusted to reflect the changes in economic benefit expectations.

Amortization is terminated when an intangible asset is classified (or included in the group that is classified) as held for sale in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

#### IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

The Group estimates at the end of each balance sheet date if any indications of impairment exist. If such exists, the recoverable amount of the assets is estimated. In addition, the recoverable amount is estimated annually regardless of indications of impairment for the following assets: goodwill, intangible assets with indefinite useful life, and intangible assets under construction. The need for impairment is monitored at the level of cash generating units (CGU) which is the lowest level that is largely independent of the cash inflows from other groups of assets.

The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The value in use is the estimate of the future cash flows of an asset or cash generating unit which are discounted to present value. The pre-tax rate which represents the market view of time value of money and risks associated to asset or cash generating unit is used as a discount rate.

Impairment loss is recognized if the carrying value of an asset is higher than the recoverable amount. Impairment loss is recognized in profit and loss. The useful life of the asset is reassessed when an impairment loss is recognized.

Impairment is reversed if there is a change in estimates used in determining the recoverable amount of an asset. Impairment is not reversed over the carrying value of the asset without recognition of impairment. An impairment loss recognized for goodwill is not reversed in any circumstances.

### *Significant management judgement and estimates*

#### BUSINESS COMBINATIONS

In business combinations, management makes estimates related to e.g. future cash flows of an acquired business, fair value adjustments, value and useful life of trademarks and synergies obtained from the acquisition.

#### GOODWILL IMPAIRMENT TESTING

In the goodwill impairment testing, the carrying value of the group of cash generating units (CGU) is compared to the recoverable amount of the CGU at least annually and when there are indications that it might be impaired. The recoverable amount of the cash generating units is based on value in use calculations. Industry specific factors have been taken into account in the discount rate used.

The recoverable amount used in impairment testing is assessed by using budgets, forecasts and terminal periods and the sensitivity is analyzed for discount rate, profitability, and changes in residual value growth factors. Changes in these estimates or in the structure or number of cash generating units or group of units may cause impairment in the fair value of assets or goodwill. The estimates concern the expected sale prices of services, expected price development of service costs, and discount rate.

The value in use estimates require forecasts and assumptions, of which the most significant concern the revenue growth and development of costs, the level of maintenance investments and changes in the discount rate. It is possible that the predictions related to cash flow forecasts are not achieved. As a result, the impairment of goodwill or other assets may have a significant negative effect on the result and financial position in the future periods.

## 17. Property, plant and equipment

| EUR thousand | Buildings | Buildings, right-of-use | Machinery and equipment | Machinery and equipment, right-of-use | Other | Advances paid and work in progress | Total |
|---|---|---|---|---|---|---|---|
| Cost at 1 Jan 2021 | 1,080 | 9,616 | 1,646 | 341 | 102 | - | 12,786 |
| Acquisitions | - | - | 24 | - | - | - | 24 |
| Additions | 137 | 624 | 25 | 690 | - | - | 1,476 |
| Disposals | -390 | -2,198 | -214 | -185 | - | - | -2,987 |
| Revaluation | - | -746 | - | 3 | - | - | -743 |
| Cost at 31 Dec 2021 | 827 | 7,296 | 1,481 | 849 | 102 | - | 10,556 |
| | | | | | | | |
| Accumulated depreciation and impairment at 1 Jan 2021 | -658 | -3,871 | -959 | -241 | -73 | - | -5,802 |
| Disposals | 390 | 2,198 | - | 185 | - | - | 2,773 |
| Depreciation | -147 | -1,858 | -129 | -173 | - | - | -2,307 |
| Impairment | - | -116 | -10 | - | - | - | -126 |
| Accumulated depreciation and impairment at 31 Dec 2021 | -415 | -3,647 | -1,098 | -229 | -73 | - | -5,462 |
| | | | | | | | |
| Net carrying value at 1 Jan 2021 | 422 | 5,745 | 687 | 100 | 29 | - | 6,984 |
| **Net carrying value at 31 Dec 2021** | **413** | **3,650** | **383** | **620** | **29** | **-** | **5,095** |

| EUR thousand | Buildings | Buildings, right-of-use | Machinery and equipment | Machinery and equipment, right-of-use | Other | Advances paid and work in progress | Total |
|---|---|---|---|---|---|---|---|
| Cost at 1 Jan 2020 | 962 | 6,409 | 1,947 | 388 | 102 | 557 | 10,366 |
| Translation differences | - | 0 | 0 | -1 | - | - | -0 |
| Acquisitions | - | - | 4 | - | - | - | 4 |
| Additions | 119 | 3,403 | 26 | 122 | - | 578 | 4,248 |
| Disposals | - | -24 | -296 | - | - | -1,135 | -1,454 |
| Classification as held for sale | - | -215 | -36 | -152 | - | - | -403 |
| Revaluation | - | 42 | - | -17 | - | - | 25 |
| Cost at 31 Dec 2020 | 1,080 | 9,616 | 1,646 | 341 | 102 | - | 12,786 |
| | | | | | | | |
| Accumulated depreciation and impairment at 1 Jan 2020 | -539 | -2,017 | -753 | -233 | -51 | - | -3,592 |
| Translation differences | - | -1 | -0 | 0 | - | - | -1 |
| Classification as held for sale | - | 106 | 36 | 97 | - | - | 239 |
| Depreciation | -119 | -1,914 | -242 | -105 | -23 | - | -2,403 |
| Impairment | - | -45 | - | - | - | - | -45 |
| Accumulated depreciation and impairment at 31 Dec 2020 | -658 | -3,871 | -959 | -241 | -73 | - | -5,802 |
| | | | | | | | |
| Net carrying value at 1 Jan 2020 | 430 | 4,392 | 1,194 | 155 | 52 | 557 | 6,780 |
| **Net carrying value at 31 Dec 2020** | **422** | **5,745** | **687** | **100** | **29** | **-** | **6,984** |

**ACCOUNTING POLICY**

Property, plant and equipment is measured at cost less accumulated depreciation and impairment losses and is recognized in the balance sheet when it is probable that future economic benefits will flow to the Group and costs can be measured reliably.

The cost of property, plant and equipment comprises the expenses directly attributable to the acquisition. The subsequent expenses incurred are recognized in the carrying value of an item of property, plant and equipment or as a separate item if it is probable that future economic benefits will flow to the Group and costs can be measured reliably. Repair and maintenance expenses are recognized in profit or loss as incurred. If an item of property, plant and equipment consists of several separate parts that have different useful life each part is recognized as a separate item.

The Group's property, plant and equipment are depreciated over the estimated useful life. The depreciation periods are 5–8 years.

The residual value and useful life of property, plant and equipment are reviewed at least annually at the balance sheet date and impairment adjustments are made if necessary. The Group estimates if there are any indications for impairment at each balance sheet date. If the carrying value of the asset is greater than the recoverable amount, the carrying value of the asset is reduced to its recoverable amount immediately. An item of property, plant and equipment classified as held for sale in accordance with IFRS 5 is not depreciated.

The gains and losses from the sale of property, plant and equipment are presented in the other operating income or expenses. The gain or loss is determined as a difference between the sales price and carrying value.

## 18. Leases

Eezy's leases relate primally to premises and cars. The most significant leases are for the premises in the largest cities in which the operations have been centralized. These leases are mainly 3 to 5-year fixed term leases. Leases may include extension options and it is determined on a lease-by-lease basis if the extension option is exercised or not. Smaller premises have been leased for a perpetual term.

Right-of-use assets are presented in note 17.

The following lease liabilities are included in the borrowings in the balance sheet:

**LEASE LIABILITIES**

| EUR thousand | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| Current | 1,975 | 1,986 |
| Non-current | 2,527 | 3,998 |
| **Total** | **4,502** | **5,984** |

The maturity of the lease liabilities is presented in note 27.

Eezy has leases that have not yet commenced but Eezy is contractually committed to. The leases commence during 2022 and the total lease liability of the contracts is approximately EUR 2 million.

The following amounts related to leases are recognized in profit or loss:

| EUR thousand | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Depreciation and impairment losses | -2,146 | -2,019 |
| Interest expenses from lease liabilities | -131 | -114 |
| Lease expenses from short term leases | -49 | -226 |
| Lease expenses from leases of low value assets | -583 | -636 |

The total cash outflow for leases in 2021 was EUR 2,814 (2,974) thousand.

**ACCOUNTING POLICY**

Right-of-use assets are measured at cost comprising the amount of the lease liability and any prepayments. Right-of-use assets are depreciated over the shorter of the asset's useful life and the lease term.

Lease liability is initially measured at the commencement of the lease at the present value of the future payments. Lease payments include fixed payments and variable lease payments based on an index, any penalties for terminating the lease if the lease term reflects the termination. Payments for the periods covered by the extension options are included in the lease liability if the lease is reasonably certain to be extended.

Lease payments are discounted using the interest rate implicit in the lease or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. Eezy's incremental borrowing rate is determined based on financing offers, lease term and economic environment.

Eezy's leases include variable lease payments based on an index which are not included in the measurement of the lease liability until they realize. The lease liability is remeasured when the lease payment based on an index change. A corresponding adjustment is done to the right-of-use asset amount.

Lease payments are allocated between principal and finance cost. The finance cost is expensed over the lease term to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Eezy's leases include lease components and non-lease components. The consideration in the contract is allocated to the lease and non-lease components based on their relative stand-alone prices.

Payments for short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the result for the period. Short-term leases are leases with a lease term of 12 months or less. Exemption is applied to all classes of underlying assets. Low-value assets comprise IT equipment and machinery and office equipment.

***Significant management judgement and estimates***

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Otherwise the Group assesses the historical leases and need for replacement leases when determining lease terms.

The lease term is reassessed if a significant event or significant change in circumstances occurs or the group becomes obliged to exercise or not to exercise an option.

## 19. Investments in shares and funds

Fair values of investments and the fair value hierarchy levels are presented in the table below:

| | 31 Dec 2021 Fair value | Level | 31 Dec 2020 Fair value | Level |
|---|---|---|---|---|
| Investments in shares, quoted | - | 1 | 351 | 1 |
| Investments in shares, unquoted | 240 | 3 | 235 | 3 |
| **Total** | **240** | | **586** | |

The changes in level 3 items are as follows:

| | Share investments |
|---|---|
| 1 Jan 2020 | 243 |
| Sales | -8 |
| **31 Dec 2020** | **235** |
| | |
| Addition | 5 |
| **31 Dec 2021** | **240** |

In addition, the Group has contingent consideration liabilities which were classified as level 3 in the fair value hierarchy. More information is presented in notes 14 and 26.

**ACCOUNTING POLICY**

Share investments are measured at fair value. Eezy has chosen to recognize the changes in the fair value of the share investments in other comprehensive income instead of the profit or loss for the period. Eezy sees this as an appropriate decision as shares are non-current investments not held for trading. The changes in the fair value are not subsequently reclassified to profit or loss. Dividend income is recognized in the profit or loss for the period. Eezy's share investments consist of listed and unlisted shares. The fair value of the unlisted shares is determined using valuation models. They are measured at cost when it is determined that the acquisition cost is a reasonable estimate of the fair value. Listed shares are measured at the balance sheet date fair value. Listed shares have been sold during 2021 and at 31 December 2021 the Group has no listed shares measured at fair value.

The financial instruments measured at fair value in the balance sheet are classified based on the following fair value hierarchy levels:

Level 1: The fair value of publicly traded instruments (like listed shares) is based on the quoted year-end market prices of similar assets or liabilities in active markets. The bid price is used as the quoted market price.

Level 2: The fair value of financial instruments that are not traded on the active market is determined with a valuation technique. These techniques maximize the use of observable market data and apply company specific estimates only to a minimal degree. When all significant inputs needed to determine the fair value of the instrument are observable, the instrument is categorized on level 2.

Level 3: If one or several significant inputs are not based on observable market data, the instrument is categorized on level 3. Such instruments include the Company's investments in unlisted shares.

## 20. Deferred tax assets and liabilities

Deferred taxes are recognized for all temporary differences.
The changes in deferred taxes are as follows:

| EUR thousand | 1 Jan 2021 | Recognized in profit or loss | 31 Dec 2021 |
|---|---|---|---|
| **Deferred tax assets** | | | |
| Tax losses carried forward | 20 | 15 | 35 |
| Tax losses from the period | 98 | -98 | - |
| Interest cost suspended in taxation | 47 | -47 | - |
| Leases | 19 | 4 | 23 |
| Credit loss provision | 189 | -46 | 143 |
| **Total** | **374** | **-172** | **201** |

| EUR thousand | 1 Jan 2020 | Recognized in profit or loss | 31 Dec 2020 |
|---|---|---|---|
| **Deferred tax assets** | | | |
| Tax losses carried forward | - | 20 | 20 |
| Tax losses from the period | - | 98 | 98 |
| Interest cost suspended in taxation | - | 47 | 47 |
| Leases | 10 | 9 | 19 |
| Credit loss provision | 266 | -77 | 189 |
| **Total** | **275** | **98** | **374** |

| EUR thousand | 1 Jan 2021 | Recognized in profit or loss | Acquisitions | 31 Dec 2021 |
|---|---|---|---|---|
| **Deferred tax liabilities** | | | | |
| Business combinations | 5,491 | -706 | 394 | 5,179 |
| Loans | 14 | -2 | - | 12 |
| **Total** | **5,504** | **-708** | **394** | **5,190** |

| EUR thousand | 1 Jan 2020 | Recognized in profit or loss | Recognized in equity | Acquisitions | 31 Dec 2020 |
|---|---|---|---|---|---|
| **Deferred tax liabilities** | | | | | |
| Business combinations | 6,001 | -656 | - | 146 | 5,491 |
| Loans | 18 | -4 | - | - | 14 |
| Leases | -0 | 0 | - | - | - |
| Share investments | 19 | - | -19 | - | 0 |
| **Total** | **6,038** | **-660** | **-19** | **146** | **5,504** |

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and the deferred taxes related to the income tax of the same taxable entity.

### ACCOUNTING POLICY

Deferred taxes are recognized for all temporary differences between the carrying values and the tax bases. The largest temporary differences arise from the fair value adjustments of assets and liabilities in business combinations, provisions and unused tax losses. Deferred taxes are calculated using the tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized to the extent that it is probable that future taxable income will be generated against which the deductible temporary difference can be utilized. The recognition criteria of the deferred tax asset is assessed at each balance sheet date.

However, a deferred tax liability is not recognized, when it arises from the initial recognition of an asset or liability in a transaction other than a business combination and the recognition of the asset or liability at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset the current tax assets against current tax liabilities, and when the deferred tax assets and liabilities are related to the income tax levied by the same taxation authority either from the same taxable entity or different taxable entities when there is an intention to settle the asset and the liability on a net basis.

***Significant management judgement and estimates***

Eezy's management uses judgement when recognizing deferred tax assets and liabilities in the balance sheet. Deferred tax assets are recognized on the balance sheet only if the utilization of the assets is seen as more probable than not utilizing the deferred tax assets. Utilization is subject to the future generation of taxable income. Assumptions related to the generation of future taxable profit are based on the management estimates on future cash flows. The Group's ability to generate taxable income is also subject to the general economic situation, financing, competitiveness and regulation environment which are not in the Group's control. These estimates and assumptions involve risks and uncertainty, and thus it is possible that the changes in circumstances will change the expectations which may affect the amount of the deferred tax liabilities and assets recognized as well as other unrecognized tax losses and temporary differences.

## 21. Trade receivables and other receivables

| EUR thousand | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| **Non-current receivables** | | |
| Growth funding receivables | 683 | 1,017 |
| Loan receivables from associated companies | - | 23 |
| Other loan receivables | - | 6 |
| Lease guarantees | 441 | 182 |
| Other receivables | 27 | - |
| **Total non-current receivables** | **1,152** | **1,227** |
| | | |
| **Current receivables** | | |
| Trade receivables | 30,105 | 19,044 |
| Growth funding receivables | 358 | 441 |
| Loan receivables from associated companies | - | 38 |
| Other loan receivables | 46 | 90 |
| Other receivables | 454 | 459 |
| Accrued income | 687 | 778 |
| **Total current receivables** | **31,649** | **20,851** |
| | | |
| **Total trade receivables and other receivables** | **32,800** | **22,078** |

Accrued income consists of employer insurance and advance payments.

Trade receivables are measured at the transaction price. The carrying value of the trade receivables and other receivables equals their fair value. Information on the impairment of the trade receivables and other receivables and their credit risk is described in note 27.

## 22. Cash and cash equivalents

Cash and cash equivalents presented in the balance sheet and cash flow statement consists of cash at bank and in hand. Utilized credit limits are presented as current liabilities. Credit limits are an essential part of the liquidity management. Liquidity risk and its management is described in note 27.

## 23. Equity

| EUR thousand | Shares 1,000 pcs | Share capital | Reserve for invested unrestricted equity | Fair value reserve | Translation differences | Retained earnings | Total attributable to the owners of the parent company | Non-controlling interests | Total equity |
|---|---|---|---|---|---|---|---|---|---|
| 31 Dec 2021 | 25,047 | 80 | 107,876 | - | - | -1,857 | 106,099 | 3,037 | 109,136 |
| 31 Dec 2020 | 24,849 | 80 | 106,572 | -3 | -50 | -5,714 | 100,885 | 2,589 | 103,744 |

***Share capital***

Eezy Plc has one series of shares and all shares are equally entitled to dividends. One share carries one vote at the general meeting. Eezy's shares are 9 September 2020 onwards listed on the official list of Nasdaq Helsinki. Before that, Eezy's shares were listed in Nasdaq First North Growth Market.

| Pcs | 2021 | 2020 |
|---|---|---|
| **1 Jan** | **24,849,375** | **24,849,375** |
| Directed share issue | 197,440 | - |
| **31 Dec** | **25,046,815** | **24,849,375** |

The directed share issue in the 2021 financial year is related to the Eezy Triton acquisition, in which 45,843 shares were issued, and to the Eezy Valmennuskeskus acquisition, in which 151,597 shares were issued.

***Own shares***

The Company does not hold its own shares.

***Dividends***

The Annual General Meeting (AGM) decided on 13 April 2021 that for year 2020 a dividend of EUR 0.10 per share is distributed by a resolution of the general meeting. The dividend EUR 0.10 per share was paid on 22 April 2021. In addition, the board of directors was authorised to later decide on a possible dividend of max. EUR 0.05 per share. On 8 December 2021, the board of directors decided on using the authorisation given by the AGM. The dividend of EUR 0.05 per share was paid on 17 December 2021. The total dividend from year 2020 has been EUR 0.15 per share.

***Reserve for invested unrestricted equity***

The reserve for invested unrestricted equity includes other investments that by nature are considered as equity and the share subscription price unless it is explicitly decided to be included in the share capital. The changes in the reserve for invested unrestricted equity are presented in the statement of changes in equity.

***Fair value reserve***

The changes in the fair value of share investments after the acquisition date, net of tax, are recognized in the fair value reserve. On 31 December 2021 the Group has no items recorded in the fair value reserve.

***Translation differences***

Translation differences consists of the translation differences arising from the translation of foreign Group companies. On 31 December 2021 the Group has no items recorded in the translation differences.

**ACCOUNTING POLICY**

Share capital includes only ordinary shares. The incremental costs directly attributable to the issue of new shares or other equity instruments, net of tax, are recognized in equity as a deduction from the proceeds. If company buys back its own equity instruments, the consideration paid is deducted from equity. The dividend payable to the Group's shareholders is recognized in the financial year during which the general meeting has approved the dividend.

## 24. Earnings per share

| | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| Result for the period attributable to the owners of the company | 7,600,963 | 2,680,445 |
| Weighted average number of shares, undiluted | 24,883,655 | 24,849,375 |
| **Earnings per share, basic (EUR)** | **0.31** | **0.11** |
| Impact of shares related to the share-based payments plan | 197,479 | 147,957 |
| Weighted average number of shares, diluted | 25,081,134 | 24,997,332 |
| **Earnings per share, diluted (EUR)** | **0.30** | **0.11** |

The number of dilutive shares in 2021 was 197,479 (147,957).

### ACCOUNTING POLICY

The basic earnings per share is calculated by dividing the profit (loss) attributable to the owners of the parent company by the weighted average number of shares.

In calculating the diluted earnings per share, the dilution impact of the options and shares granted to employees is taken into consideration. More information on the share-based payments is in note 7.

## 25. Borrowings

Changes in borrowings divided to changes from financing cash flows and other changes are presented in the table below:

| EUR thousand | Loans from financial institutions | Lease liabilities | Other loans | Total |
|---|---|---|---|---|
| **1 Jan 2020** | **55,109** | **4,625** | **29** | **59,764** |
| Repayments of borrowings | -3,282 | -1,998 | -18 | -5,299 |
| Acquisitions | 12 | - | - | 12 |
| New leases | - | 3 502 | - | 3,502 |
| Other changes | 38 | -145 | -1 | -108 |
| **31 Dec 2020** | **51,877** | **5,984** | **9** | **57,870** |
| Repayments of borrowings | -4,328 | -2,050 | -9 | -6,387 |
| Acquisitions | 796 | - | - | 796 |
| New leases | - | 1,314 | - | 1,314 |
| Revaluations | - | -745 | - | -745 |
| Other changes | -21 | - | - | -21 |
| **31 Dec 2021** | **48,325** | **4,502** | **-** | **52,826** |

The financing arrangements of the Group relate primarily to the financing of the business acquisitions.

The maturities of these financing arrangements range from 1 to 5 years.

The Group's loans include covenants defined in the financing agreements. The most important loan covenants are reported to the creditors half yearly. If the Group does not meet the covenants, the creditor may require an accelerated loan prepayment. During the financial years presented, the Group has met loan related covenants, which relate to net debt ratio and ratio of interest bearing net debt compared to EBITDA.

The Group's loans are denominated in euros and primarily have floating interest rates. The repricing of the loans occurs every 12 months. The impact on the cash flows arising from changes in the loan interest rates at the current market interest rate levels is insignificant. The loan margins vary between 1.7% and 2.45%. The covenants also include terms related to interest rate levels. Half yearly the margin can vary between 1.45% and 2.70% depending on the level of the covenant related to net debt and EBITDA.

The carrying value of the borrowings equals their fair value in the periods presented, as the coupon rates have been on the same level with market rates, and the impact of discounting the future cash flows using the market interest rate at the valuation date is not significant.

The maturities of the borrowings and more information on the interest rate risk and the liquidity risk management is presented in note 27.

**ACCOUNTING POLICY**

Borrowings are initially recognized at fair value, net of transaction costs incurred. After the initial recognition borrowings are measured at amortized cost using the effective interest method. Borrowings are classified as current liabilities if the Group intends to settle the borrowings during the next 12 months after the reporting date or if the Group does not have an unconditional right to defer the settlement for at least 12 months after the reporting date.

The transaction costs incurred in connection with the borrowings are recognized as interest expenses using the effective interest method.

## 26. Trade payables and other liabilities

| EUR thousand | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| **Non-current liabilities** | | |
| Contingent considerations | 1,928 | - |
| Share-based payments | 16 | 16 |
| Other liabilities | - | 50 |
| **Total non-current liabilities** | **1,944** | **66** |
| | | |
| **Current liabilities** | | |
| Trade payables | 6,241 | 5,600 |
| Contingent considerations | 54 | - |
| VAT liability | 8,994 | 9,783 |
| Personnel related liabilities | 4,487 | 6,097 |
| Other liabilities | 515 | 531 |
| Personnel related accrued expenses | 14,689 | 12,257 |
| Other accrued expenses | 520 | 362 |
| **Total current liabilities** | **35,499** | **34,630** |
| | | |
| **Total trade payables and other liabilities** | **37,443** | **34,696** |

**ACCOUNTING POLICY**

Fair values of trade payables and other liabilities equal their carrying values. They are measured at cost or amortized cost apart from contingent considerations which are measured at fair value. Fair value is based on management's estimate and it is classified as level 3 in the fair value hierarchy.

## 27. Financial risk management

The group's principles of financial risk management have not significantly changed during reporting period. Eezy and its operating activities are exposed to certain financial risks. Financial risk management is a part of the Group's risk management processes and an integral part of Eezy's strategy process, planning process and day-to-day management. Eezy's CEO is responsible for drafting the principles of risk management and for ensuring that the principles are implemented systematically and appropriately. Eezy's Group Management Team is responsible for identifying group level risks. Risk management is reported to Eezy's Board of Directors and the Board confirms the company's principles of risk management.

The most significant financial risks for Eezy are credit risk and liquidity risk. Group treasury monitors the day-to-day liquidity and the CFO is responsible for the long-term liquidity and for monitoring the covenants.

***Liquidity risk***

Liquidity risk relates to ensuring and maintaining sufficient financing for Eezy. Eezy strives to continuously assess and monitor the amount of financing needed for the business operations, by, among others, performing a monthly analysis on the sales development and investment needs in order to ensure the Group has sufficient liquid assets to finance the operations and to repay the borrowings when they fall due. The CFO analyses the possible need for additional financing.

The Group aims to ensure the availability and flexibility of the Group's financing with sufficient available credit facilities, a balanced debt maturity profile and sufficiently long loan periods as well as by using several financial institutions as counterparties and different forms of financing, when necessary. The Group's financing activities determine the optimal level of cash.

Cash and cash equivalents amounted to EUR 6,106 (15,447) thousand at the end of the financial year, in addition to which the Group had undrawn committed credit limits available totaling to EUR 10,000 (10,000) thousand. In 2020 relaxed due dates of pension payments and taxes temporarily increased the Group's cash and cash equivalents by approx. EUR 10.2 million.

The group has a long-term senior loan from financial institutions and the financial agreements include the terms of covenants. The breach of covenants may lead to the situation where the creditor may require an accelerated loan prepayment or immediate prepayment. As of 31 December 2021, the Group has non-current loans from financial institutions EUR 43,924 (47,630) thousand and current loans from financial institutions EUR 4,400 (4,247) thousand. The terms and conditions of the loans and related covenants are described in note 25.

The following tables present the contractual maturity analysis of the Group's financial liabilities. The figures are undiscounted and include interest payments and repayments.

| EUR thousand | 0–6 months | 7–12 months | 1–3 years | 4–5 years | Total contractual cash flows | Carrying value |
|---|---|---|---|---|---|---|
| **31 Dec 2021** | | | | | | |
| Loans from financial institutions | 1,496 | 3,991 | 45,731 | 188 | 51,406 | 48,325 |
| Lease liabilities | 1,053 | 1,003 | 2,536 | 57 | 4,648 | 4,502 |
| Trade payables | 6,241 | - | - | - | 6,241 | 6,241 |
| Contingent considerations | 54 | - | 1,908 | 20 | 1,981 | 1,981 |
| **Total** | **8,844** | **4,994** | **50,175** | **265** | **64,276** | **61,049** |

In addition to the table above: In spring 2020 periodical (self-assessed) taxes were postponed and will mature following: below six months EUR 727 thousand, as total of EUR 727 thousand.

| EUR thousand | 0–6 months | 7–12 months | 1–3 years | 4–5 years | Total contractual cash flows | Carrying value |
|---|---|---|---|---|---|---|
| **31 Dec 2020** | | | | | | |
| Loans from financial institutions | 1,436 | 3,965 | 10,570 | 40,134 | 56,104 | 51,877 |
| Lease liabilities | 1,086 | 1,017 | 3,734 | 384 | 6,222 | 5,984 |
| Trade payables | 5,600 | - | - | - | 5,600 | 5,600 |
| Other loans | 9 | - | - | - | 9 | 9 |
| **Total** | **8,131** | **4,982** | **14,304** | **40,518** | **67,935** | **63,470** |

***Credit risk***

Credit risk arises from trade receivables and the growth funding receivables. Credit risk also arises from loan receivables, other receivables and cash and cash equivalents but based on Group's analysis their credit risk is considered immaterial.

The Group's policy defines the creditworthiness requirements for the counterparties. Credit risk management and credit control are centralized in the Group's financial management.

The Group aims to minimize the risks related to the receivables through the terms of payment of the receivables, customer-specific monitoring of trade receivables, effective collection, and checking of the customers' creditworthiness, as well as partly through various collateral arrangements. For the growth funding paid to their customers, the Group has received a counterparty guarantee from these customers that covers the growth funding paid to these customers.

The trade receivables and growth funding of certain big customers together form credit risk concentrations for the Group. The Group has aimed to secure the most significant customer-specific receivable positions through various collateral arrangements. Typical collaterals are, among others, guarantees and various pledges to the benefit of the Group.

During the financial year, the Group has recognized EUR 227 (2,515) thousand on trade receivables and growth funding receivables as credit losses and EUR 307 (42) thousand as reversal of unused amount in profit or loss.

*Trade receivables*

The staffing service business is based on sales invoiced. It involves a risk of credit losses typical for the nature of the business and the industry. Historically, the level of incurred credit losses on trade receivables has typically been low.

The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The Group monitors continuously the level of write downs on receivables and changes the models by taken into account existing conditions and forward-looking information. Due to COVID-19 some of customers' ability to pay are estimated to be weakened.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2021 or 31 December 2020, respectively, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information and macroeconomic factors affecting the ability of the customers to settle the receivables.

The table below presents the changes in the credit loss allowance for the periods presented, the age analysis of trade receivables, and for each age analysis group the recognized impairments and the percentages used:

| EUR thousand | Not due | Due, 1–30 days | Due, 31–60 days | Due, 61–90 days | Due, 91–180 days | Over 180 days | Total |
|---|---|---|---|---|---|---|---|
| **31 Dec 2021** | | | | | | | |
| Expected credit loss rate, % | 0.2% | 0.8% | 1.5% | 2.0% | 10.0% | 26.0% | |
| Carrying value of trade receivables | 26,383 | 1,906 | 307 | 148 | 613 | 1,197 | 30,553 |
| **Credit loss provision** | **53** | **15** | **5** | **3** | **61** | **311** | **448** |

| EUR thousand | Not due | Due, 1–30 days | Due, 31–60 days | Due, 61–90 days | Due, 91–180 days | Over 180 days | Total |
|---|---|---|---|---|---|---|---|
| **31 Dec 2020** | | | | | | | |
| Expected credit loss rate, % | 0.2% | 0.8% | 1.5% | 2.0% | 10.0% | 26.0% | |
| Carrying value of trade receivables | 16,125 | 941 | 504 | 472 | 388 | 960 | 19,390 |
| **Credit loss provision** | **32** | **8** | **8** | **9** | **39** | **250** | **345** |

| EUR thousand | 2021 | 2020 |
|---|---|---|
| **1 Jan** | **345** | **574** |
| Change in provision | 20 | 2,653 |
| Recognized as credit losses | -224 | -2,924 |
| Unused amount reversed | 307 | 42 |
| **31 Dec** | **448** | **345** |

The Group monitors continuously the level of write downs on receivables and changes the models by taken into account existing conditions and forward-looking information.

Trade receivables are written off when there is not a reasonable expectation of recovery. Indicators that there is not a reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group and a failure to make contractual payments for a period of greater than 360 days past due.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

*Growth funding receivables*

Growth funding has been paid to certain large customers in the staffing service business. The earning of the growth funding is based on the customers' future purchases and the payments of the trade receivables generated from them. Growth funding receivables were acquired in connection with the acquisition of Smile in 2019 and they were measured at fair value considering the estimated future credit losses. Growth funding receivables are secured by using, among others, guarantees and various pledges.

Unexpected customers insolvency situations may lead to disruptions of providing services and may lead to termination of growth funding agreements that are earlier considered favorable. Corona virus pandemic has had a negative effect on both general economic conditions in Finland and internationally, as well as some of customers businesses. The Group monitors continuously the level of write downs on receivables and changes the models by taking into account existing conditions and forward-looking information.

After initial recognition, the Group recognizes impairment from growth funding receivables based on expected credit losses. The Company considers the growth funding receivables to be low credit risk where they have a low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term. From these receivables, 12-month expected credit losses are recognized.

If the credit risk is not considered to be low or the credit risk has increased significantly since initial recognition, lifetime expected credit losses are recognized from the growth funding receivables.

The mitigating effect of collateral is taken into consideration in the recognized credit losses.

***Significant management judgement and estimates***

Eezy's management uses judgement when determining whether there has been a significant increase in the credit risk of growth funding receivables so that the recognition of lifetime expected credit losses is commenced, and on the timing when the receivables are written off as impaired. Management presumes the credit risk to have increased significantly when the payments are at least 180 days past due. Additionally, the past-due receivables are analyzed on a case by case basis. The growth funding receivables are written off when there is not a reasonable expectation of recovery, for example when the customer is in liquidation or has entered bankruptcy.

***Capital management***

As a part of their capital management, Eezy's management monitors the borrowings and equity as presented in the consolidated balance sheet. The aim of the Group's capital management (equity vs. debt) is, with the optimal capital structure, to support the business operations by ensuring normal operational prerequisites, and to increase the shareholder value in the long term. Capital management is also driven by the owners' aim to maintain a simple financial structure. Capital needs are primarily fulfilled with long-term debt financing.

The capital structure is adjusted mainly by dividend distributions and share issues. The Group can also decide to sell assets in order to reduce debt. The development of the Group's capital structure is monitored with comparing net debt to adjusted EBITDA, which is reported to the Group management regularly. Net debt is calculated by deducting cash and cash equivalents from non-current and current loans from financial institutions, non-current other liabilities, lease liabilities, current contingent consideration liabilities and current financial liabilities. Adjusted EBITDA is calculated by adding to operating profit the following: depreciation, amortization and impairment losses, and items affecting comparability, such as items relating to acquisitions, closing of business operations, structural reorganization and significant redundancy costs.

***Interest rate risk***

Interest rate risk means the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group has not been materially exposed to fair value interest rate risks because a significant part of its loans are linked to the Euribor. Further, the cash flow interest rate risk is not considered to be significant due to the current interest rate level. The interest rates of borrowings are described in note 25.

A reasonably possible change in interest rates on the balance sheet date would not have had a material impact in profit or loss for the financial year.

***Foreign exchange risk***

The Group operates only in Finland since January 2021, but in comparative year had some business operations in Sweden as well. Local companies operate in their functional currency. Due to these factors, the impact from foreign exchange risk is not material, and it is not hedged. The foreign exchange risk associated with net investments is not hedged.

## 28. Group structure

Subsidiaries belonging to the Group as at 31 December 2021 are presented in the table below:

| Subsidiary | Domicile | Group ownership portion, % |
|---|---|---|
| Eezy VMP Oy | Helsinki | 100% |
| Bework Oy | Helsinki | 100% |
| Castanea Oy | Helsinki | 100% |
| Conrator Oy | Helsinki | 100% |
| Eezy Sonire Oy | Helsinki | 100% |
| Staffservice Finland Oy | Helsinki | 100% |
| Workcontrol Oy | Helsinki | 100% |
| Caperea Oy | Helsinki | 100% |
| Eezy Kevytyrittäjät Osk | Helsinki | 100% |
| Eezy Personnel Oy | Tampere | 100% |
| Hazana Oy | Kuopio | 100% |
| Extremely Nice Job Oy | Helsinki | 100% |
| Enjoy Etelä Oy | Helsinki | 100% |
| Enjoy Pohjoinen Oy | Helsinki | 100% |
| Enjoy Itä Oy | Helsinki | 100% |
| Enjoy Länsi Oy | Helsinki | 100% |
| Henkilöstöratkaisu Extraajat Oy | Helsinki | 100% |
| Extraajat Etelä-Suomi Oy | Helsinki | 100% |
| Extraajat Helsinki Oy | Helsinki | 100% |
| Eezy Kauppa Suomi Oy | Helsinki | 100% |
| Extraajat Pirkanmaa Oy | Helsinki | 100% |
| Extraajat Uusimaa Oy | Helsinki | 100% |
| Eezy Kauppa Länsi Oy | Helsinki | 100% |
| Eezy Flow Oy | Turku | 70.02% |
| Eezy Henkilöstöpalvelut Oy | Tampere | 100% |
| Happy Henkilöstöpalvelut Oy | Tampere | 100% |
| Smile Job Services Oy | Tampere | 100% |
| Resta Henkilöstöpalvelut Oy | Tampere | 100% |
| Smile Botnia Oy | Tampere | 100% |
| Doctors by Eezy Oy | Tampere | 76% |
| Smile Office Oy | Tampere | 100% |
| Smile Events & Promotions Oy | Tampere | 100% |
| Smile Huippu Oy | Kuopio | 100% |
| Smile Palvelut Jyväskylä Oy | Tampere | 100% |

| Subsidiary | Domicile | Group ownership portion, % |
|---|---|---|
| Smile MMS Oy | Kuortane | 100% |
| Smile Industries Oy | Kuortane | 100% |
| Smile Industries Kuopio Oy | Tampere | 100% |
| Smile Industries Tampere Oy | Tampere | 100% |
| Smile Pohjanmaa Oy | Kuortane | 100% |
| Smile Palvelut Helsinki Oy | Tampere | 100% |
| Smile Palvelut Pohjoinen Oy | Tampere | 100% |
| Smile Palvelut Ilo Oy | Tampere | 100% |
| Smile Palvelut Turku Oy | Tampere | 100% |
| Smile Services Oy | Tampere | 100% |
| Smile Super Oy | Tampere | 100% |
| Smile Tampere Oy | Tampere | 100% |
| Smile Banssi Oy | Tampere | 100% |
| Smile Banssi Etelä Oy | Espoo | 100% |
| Smile Banssi Häme Oy | Espoo | 100% |
| Smile Banssi Itä Oy | Joensuu | 100% |
| Smile Banssi Keski Oy | Jyväskylä | 100% |
| Smile Palvelut Royal Oy | Tampere | 100% |
| Eezy Teollinen Etelä Oy | Helsinki | 100% |
| Smile Seinäjoki Oy | Tampere | 100% |
| Smile Jobio Pohjanmaa Oy | Tampere | 100% |
| Smile Jobio Pirkanmaa Oy | Tampere | 100% |
| Smile Jobio Varsinais-Suomi Oy | Tampere | 100% |
| Smile Import Oy | Tampere | 80% |
| Eezy Teollinen Pohjoinen Oy | Tampere | 100% |
| Smile Kymppi Service Länsi-Suomi Oy | Tampere | 100% |
| Smile Palvelut Maja Oy | Tampere | 100% |
| Eezy United Oy | Helsinki | 70% |
| Eezy Triton Oy | Helsinki | 100% |
| Eezy Valmennuskeskus Oy | Helsinki | 80% |

These consolidated financial statements consist of Eezy Plc, the parent company of the Group, and all subsidiaries over which the parent company has control. Acquisitions that have impacted the Group structure are presented in note 14.

### ACCOUNTING POLICY

Subsidiaries are entities over which the Group has control. The group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to eliminate share ownership between the Group companies. The acquisition cost exceeding the fair value of the net identifiable assets acquired is recorded as goodwill. If the acquisition cost is less than the fair value of the net identifiable assets of the business acquired, the difference is recognized directly as income in the result of the period.

The acquisition related costs, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognized at fair value at the acquisition date, and classified as a financial liability or equity. The contingent consideration classified as a financial liability is remeasured to fair value at each balance sheet date and changes in fair value are recognized in the result for the period. The contingent consideration classified as equity is not remeasured. Any non-controlling interests in the acquired entity is measured at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. The valuation policy is determined on an acquisition-by-acquisition basis.

Inter-company transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies applied by the Group.

The profit (loss) for the period and total comprehensive income for the period attributable to the owners of the parent company and non-controlling interests are presented in the consolidated statement of comprehensive income. Total comprehensive income for the period is allocated to non-controlling interests although this would result in a negative non-controlling interest. Non-controlling interests in the equity is presented as a separate line item in the balance sheet as part of equity. Changes in the ownership of the subsidiaries that do not result in a loss of control are treated as transactions with equity owners of the Group. In a business combination achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any gains or losses arising is recognized in the result for the period. When the Group loses the control in a subsidiary, any retained interest in the entity is remeasured to its fair value at the date when the control ceases and the difference arising from the measurement is recognized in profit or loss.

## 29. Changes in the non-controlling interests

| Company in which interests are acquired | Acquisition date | Acquired share | New ownership interest | Purchase consideration (EUR thousand) | Change in non-controlling interests (EUR thousand) | Change in retained earnings (EUR thousand) |
|---|---|---|---|---|---|---|
| **2021** | | | | | | |
| Eezy Henkilöstöpalvelut Oy | | | | | | |
| Smile Industries Kuopio Oy | 5 Feb 2021 | 10.00% | 100.00% | 40 | -23 | -18 |
| | | | | | | |
| **2020** | | | | | | |
| Eezy Henkilöstöpalvelut Oy | | | | | | |
| Smile Doctors Oy | 30 Jan 2020 | 4.75% | 76.00% | 23 | -23 | 0 |
| | | | | | | |
| Smile Banssi Oy | | | | | | |
| Smile Banssi Lappi Oy | 10 Jun 2020 | 10.00% | 100.00% | 31 | -7 | -49 |
| | | | | | | |
| Smile Banssi Oy | | | | | | |
| Smile Banssi Uusimaa Oy | 10 Sep 2020 | 10.00% | 100.00% | 62 | -8 | -23 |

## 30. Investments in associates

| EUR thousand | 2021 | 2020 |
|---|---|---|
| Cost at 1 Jan | - | 85 |
| Share of the result of associates | - | -1 |
| Divestments | - | -84 |
| **Cost at 31 Dec** | **-** | **-** |

Eezy sold its share of Enjoy Festival Oy on 31 January 2020. Outside of profit from the sale, EUR 0.05 million, the sale had no significant impact on Eezy's result in 2020.

## 31. Commitments and contingencies

Eezy has a group cash pooling arrangement managed by Eezy Plc and the arrangement includes all subsidiaries. All current and future cash pool receivables are used as a comprehensive guarantee for liabilities on the bank accounts included in the cash pool agreement.

| EUR thousand | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| **Liabilities in balance sheet for which collaterals given** | | |
| Loans from financial institutions, non-current | 43,924 | 47,630 |
| Loans from financial institutions, current | 4,400 | 4,247 |
| **Total** | **48,325** | **51,877** |

| EUR thousand | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| **Mortgages on own behalf** | | |
| Company mortgages | 100,000 | 100,000 |
| Property, plant and equipment | 16 | 51 |
| **Total** | **100,016** | **100,051** |

The shares of Eezy VMP Oy and Eezy Henkilöstöpalvelut Oy are pledged to existing and future financial institution loans on the balance sheet dates.

More information on business combinations is presented in note 14.

#### ACCOUNTING POLICY

A contingent liability is a possible obligation that has arisen from past events and whose existence is confirmed only by the occurrence of uncertain future events not wholly in the control of the Group.

A contingent liability is also a present obligation whose settlement probably does not require an outflow of resources, and the amount cannot be measured reliably. A contingent liability is presented in the notes of the consolidated financial statements.

## 32. New standards

#### NEW AND AMENDED STANDARDS AND ACCOUNTING POLICIES APPLIED IN THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

Group has applied following new and amended standards and accounting policies from 1 January 2021 onwards. These have not had a significant impact on consolidated financial statements 2021.

*Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16 Leases (effective from 1 April 2021 for financial years starting, at the latest, on or after 1 January 2021)*

The amendments allow the lessees not to account for rent concessions as lease modifications if the concessions are a direct consequence of the Covid-19 pandemic and only if certain conditions are met.

*Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9 Financial Instruments, IAS 39 Financial Instruments: Recognition and Measurement, IFRS 7 Financial Instruments: Disclosures, IFRS 4 Insurance Contracts and IFRS 16 Leases (effective for financial years beginning on or after 1 January 2021)*

Amendments address issues affecting financial statements when changes are made to contractual cash flows and hedging relationships as a result of interest rate benchmark reform. Amendments assist companies in providing useful information about the effects of interest rate benchmark reform on financial statements.

*Configuration or Customisation Costs in a Cloud Computing Arrangement – IAS 38 Intangible Assets (effective immediately)*

The agenda decision published by IFRS Interpretation Committee in April 2021 clarifies how to recognise costs of configuring or customising a supplier's application software in a Software as a Service (SaaS) arrangement. The agenda decision address whether an intangible asset may be recognized by the entity purchasing the service and if not how the configuration or customisation costs are accounted for. The agenda decisions have no effective date, so they are expected to be applied as soon as possible since published.

#### ADOPTION OF NEW AND AMENDED STANDARDS IN FUTURE FINANCIAL YEARS

Group estimates that adoption of new and amended standards listed below in future financial years will not have a significant impact on consolidated financial statements.

*Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37 Provisions, Contingent Liabilities* *and Contingent Assets (effective for financial years beginning on or after 1 January 2022)*

When an onerous contract is accounted for based on the costs of fulfilling the contract, the amendments clarify that these costs comprise both the incremental costs and an allocation of other direct costs.

*Annual Improvements to IFRS Standards 2018–2020 (effective for financial years beginning on or after 1 January 2022)*

The annual improvements process provides a mechanism for minor and non-urgent amendments to IFRSs to be grouped together and issued in one package annually. The amendments clarify e.g. the following standards:

- IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities: This amendment clarifies that – for the purpose of performing the '10 per cent test' for derecognition of financial liabilities – in determining those fees paid net of fees received, a borrower includes only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

*Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Presentation of Financial Statements * (effective for financial years beginning on or after 1 January 2023, early application is permitted)*

The amendments are to promote consistency in application and clarify the requirements on determining if a liability is current or non-current.

*Disclosure of Accounting Policies – Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements* (effective for financial years beginning on or after 1 January 2023, early application is permitted)*

The amendments clarify the application of materiality to disclosure of accounting policies.

*Definition of Accounting Estimates – Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors* (effective for financial years beginning on or after 1 January 2023, early application is permitted)*

The amendments clarify how companies should distinguish changes in accounting policies from changes in accounting estimates, with a primary focus on the definition of and clarifications on accounting estimates.

*Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12 Income Taxes* (effective for financial years beginning on or after 1 January 2023, early application is permitted)*

The amendments narrow the initial recognition exemption (IRE) and clarify that the exemption does not apply to transactions such as leases and decommissioning obligations which give rise to equal and offsetting temporary differences.

** = not yet endorsed for use by the European Union as of 31 December 2021*

# Eezy parent company financial statements

2021

# Parent company income statement (FAS)

| EUR | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| **REVENUE** | **12,064,136.50** | **12,251,618.05** |
| Other operating income | 7,101.53 | 351.62 |
| Personnel expenses | | |
| Wages and salaries | -3,119,606.46 | -990,798.22 |
| Social security expenses | | |
| Pension expenses | -509,527.35 | -129,250.12 |
| Other social security expenses | -109,490.18 | -24,159.51 |
| Total social security expenses | -619,017.53 | -153,409.63 |
| Total personnel expenses | -3,738,623.99 | -1,144,207.85 |
| Depreciation, amortisation and impairment losses | | |
| Depreciation and amortisation according to plan | -40,681.97 | -47,458.38 |
| Total depreciation, amortisation and impairment losses | -40,681.97 | -47,458.38 |
| Other operating expenses | -7,228,821.03 | -12,682,408.70 |
| **OPERATING PROFIT (LOSS)** | **1,063,111.04** | **-1,622,105.26** |
| Financial income and expenses | | |
| Other interest income and other financial income | | |
| From other companies | 73.45 | 283.93 |
| From group companies | 1,679,042.61 | 1,665,002.29 |
| Interests expenses and other financial expenses | | |
| To other companies | -1,262,775.61 | -1,332,084.50 |
| To group companies | -5.31 | -1,262.03 |
| Financial income and expenses | 416,335.14 | 331,939.69 |
| **PROFIT (LOSS) BEFORE APPROPRIATIONS AND TAXES** | **1,479,446.18** | **-1,290,165.57** |
| Appropriations | | |
| Group contibution | 2,500,000.00 | 2,380,000.00 |
| Appropriations | 2,500,000.00 | 2,380,000.00 |
| Income taxes | | |
| Taxes for the financial year and previous financial years | -816,254.64 | -237,335.05 |
| Income taxes | -816,254.64 | -237,335.05 |
| **PROFIT (LOSS) FOR THE FINANCIAL YEAR** | **3,163,191.54** | **852,499.38** |

# Parent company balance sheet (FAS)

| EUR | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| **ASSETS** | | |
| **NON-CURRENT ASSETS** | | |
| Intangible assets | | |
| Intangible rights | 30,342.93 | 0.00 |
| Goodwill | 94,166.69 | 0.00 |
| Other non-current expenditures | 165,850.62 | 136,549.80 |
| Total intangible assets | 290,360.24 | 136,549.80 |
| Tangible assets | | |
| Machinery and equipment | 45,366.54 | 60,488.70 |
| Total tangible assets | 45,366.54 | 60,488.70 |
| Investments | | |
| Holdings in group companies | 115,909,034.40 | 109,653,669.23 |
| Total investments | 115,909,034.40 | 109,653,669.23 |
| **TOTAL NON-CURRENT ASSETS** | **116,244,761.18** | **109,850,707.73** |
| **CURRENT ASSETS** | | |
| Non-current receivables | | |
| Receivables from group companies | 47,500,000.00 | 49,518,858.32 |
| Other non-current receivables | 19,171.64 | 0.00 |
| Total non-current receivables | 47,519,171.64 | 49,518,858.32 |
| Current receivables | | |
| Trade receivables | 2,335.76 | 0.00 |
| Receivables from group companies | 35,754,774.17 | 44,462,555.88 |
| Other receivables | 22,875.17 | 3,350.52 |
| Prepayments and accrued income | 198,785.63 | 92,020.54 |
| Total current receivables | 35,978,770.73 | 44,557,926.94 |
| Cash at bank and in hand | 5,605,663.51 | 14,548,644.07 |
| **TOTAL CURRENT ASSETS** | **89,103,605.88** | **108,625,429.33** |
| **TOTAL ASSETS** | **205,348,367.06** | **218,476,137.06** |

| EUR | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| **EQUITY AND LIABILITIES** | | |
| **EQUITY** | | |
| Share capital | 80,000.00 | 80,000.00 |
| Reserve for invested unrestricted equity | 110,507,409.02 | 109,202,890.02 |
| Retained earnings | 11,404,069.53 | 14,288,848.40 |
| Profit (loss) for the financial year | 3,163,191.54 | 852,499.38 |
| **TOTAL EQUITY** | **125,154,670.09** | **124,424,237.80** |
| **LIABILITIES** | | |
| Non-current liabilities | | |
| Liabilities to credit institutes | 43,444,440.00 | 47,666,664.00 |
| Other non-current liabilities | 60,000.00 | 0.00 |
| Total non-current liabilities | 43,504,440.00 | 47,666,664.00 |
| Current liabilities | | |
| Liabilities to credit institutes | 4,222,224.00 | 4,222,224.00 |
| Trade payables | 744,729.80 | 578,963.72 |
| Liabilities to group companies | 30,100,671.38 | 40,408,678.82 |
| Other liabilities | 279,144.28 | 246,583.60 |
| Accruals and deferred income | 1,342,487.51 | 928,785.12 |
| Total current liabilities | 36,689,256.97 | 46,385,235.26 |
| **TOTAL LIABILITIES** | **80,193,696.97** | **94,051,899.26** |
| **TOTAL EQUITY AND LIABILITIES** | **205,348,367.06** | **218,476,137.06** |

# Parent company cash flow statement (FAS)

| EUR | 1 Jan–31 Dec 2021 | 1 Jan–31 Dec 2020 |
|---|---|---|
| **Cash flow from operating activities** | | |
| Cash receipts from customers | 11,831,516.36 | 11,981,878.65 |
| Cash paid to suppliers and employees | -10,424,746.33 | -13,015,293.85 |
| Cash flow from operating activities before financial items and taxes | 1,406,770.03 | -1,033,415.20 |
| | | |
| Interest and expenses paid from other operating financial expenses | -1,270,055.60 | -1,338,776.53 |
| Dividends received | 0.00 | 10,760,000.00 |
| Interest received from operating activities | 1,723,226.53 | 1,053,262.04 |
| Other financial expenses paid | -364.23 | -42.21 |
| Direct taxes paid | -606,535.03 | 21,973.56 |
| **Net cash from operating activities** | **1,253,041.70** | **9,463,001.66** |
| | | |
| **Cash flow from investing activities** | | |
| Investments in tangible and intangible assets | -99,370.25 | -163,845.30 |
| Investments in subsidiaries | -4,950,846.17 | 0.00 |
| **Net cash from investing activities** | **-5,050,216.42** | **-163,845.30** |
| | | |
| **Cash flow from financing activities** | | |
| Repayment of current loans and borrowings | -4,222,224.00 | -3,111,112.00 |
| Group cash pool | 583,696.41 | -1,884,664.92 |
| Dividends paid | -3,737,278.25 | -2,484,937.50 |
| Granted loans | -150,000.00 | -6,000,000.00 |
| Group contribution received and paid | 2,380,000.00 | 15,158,000.00 |
| Proceeds from repayment of loans | 0.00 | 3,518,555.55 |
| **Net cash from financing activities** | **-5,145,805.84** | **5,195,841.13** |
| | | |
| **Net increase/decrease in cash and cash equivalents** | **-8,942,980.56** | **14,494,997.50** |
| | | |
| Cash and cash equivalents at beginning of financial year | 14,548,644.07 | 53,646.57 |
| Net increase/decrease in cash and cash equivalents | -8,942,980.56 | 14,494,997.50 |
| | | |
| Cash and cash equivalents at end of financial year | 5,605,663.51 | 14,548,644.07 |

# Accounting principles for financial statements

### NOTES TO ACCOUNTING PRINCIPLES FOR FINANCIAL STATEMENTS

The financial statements are prepared in accordance with Accounting Act on the information presented in the financial statements.

### VALUATION AND RECOGNITION PRICIPLES AND METHODS

Intangible assets held under non-current assets are carried at cost consisting of related expenditures less amortization according to plan. Tangible assets are carried at cost consisting of related variable expenditures less depriciation according to plan.

Trade, loan and other receivables held under current assets are carried at the lower of nominal value and probable value.

### IMPACTS OF THE CORONAVIRUS

The company's Board of Directors has assessed the impact of epidemic that started in early 2020 and expanded rapidly which impacted on the company's market environment, employees and business. The corona virus epidemic has had some impact on the company's operating environment and the demand of products and services. However, the epidemic has not affected the company's financial position and solvency, which are at the appropriate level. There are no risks to the company's business continuity. The company's Board of Directors and management monitor closely the development of the corona virus situation and update their estimate on the impacts of the epidemic as the situation progresses.

### RECOGNITION PRINCIPLES AND METHODS

Cost of intangible and intagible assets held under non-current assets is amortized/depreciated in accordance with a pre-determined plan by applying the maximum amortization/depreciation allowed under the Finnish Business Tax Act (BTA). The cost of an asset, less its residual value, is depreciated/amortized over its estimated useful life.

| Asset | Estimated useful life / years | Depreciation / amortization: percentage and method |
|---|---|---|
| Other non-current expenditures | 5–10 | 10 % or 20 % straight line method |
| Machinery and equipment | approx. 8 | maximum depreciation allowed under BTA |
| IT software | 5 | 20% straight line method |

### FOREIGN CURRENCY TRANSACTIONS

The receivables in foreign currencies are translated into Finnish currency using the exchange rate quoted on the balance sheet date.

### NOTES TO PARENT COMPANY

Eezy Plc, domicile Helsinki, is the parent company of the Eezy group.

A copy of the consolidated financial statements of the Eezy group is available from the Finnish patent and registration office.

### NOTES TO THE PERSONNEL AND MANAGEMENT

| Average number of personnel during the financial year | 2021 | 2020 |
|---|---|---|
| Salaried employees | 44 | 6 |
| Total | 44 | 6 |

### AUDITORS' FEES

KPMG Oy Ab

| EUR | 2021 | 2020 |
|---|---|---|
| Statutory audit | 142,235.18 | 116,844.19 |
| Other advisory services | 6,500.00 | 0.00 |
| Tax advisory services | 5,250.00 | 2,530.00 |
| Other services | 56,733.00 | 82,767.34 |
| Total | 210,718.18 | 202,141.53 |

# Notes to assets

### INTANGIBLE ASSETS

| EUR | Intangible rights | Other non-current expenditures | Advances paid | Goodwill | Total |
|---|---|---|---|---|---|
| Cost at 1 Jan 2021 | 0.00 | 163,845.30 | 0.00 | 0.00 | 163,845.30 |
| Increases | 34,089.75 | 154,462.50 | 126,907.45 | 100,000.00 | 415,459.70 |
| Decreases | 0.00 | -109,182.00 | -126,907.45 | 0.00 | -236,089.45 |
| Cost at 31 Dec 2021 | 34,089.75 | 209,125.80 | 0.00 | 100,000.00 | 343,215.55 |
| | | | | | |
| Accumulated amortization and impairment losses at 1 Jan 2021 | 0.00 | -27,295.50 | - | 0.00 | -27,295.50 |
| Amortization | -3,746.82 | -15,979.68 | - | -5,833.31 | -25,559.81 |
| Accumulated amortization and impairment losses at 31 Dec 2021 | -3,746.82 | -43,275.18 | - | -5,833.31 | -52,855.31 |
| | | | | | |
| **Book value 31 Dec 2021** | **30,342.93** | **165,850.62** | **0.00** | **94,166.69** | **290,360.24** |

| EUR | Intangible rights | Other non-current expenditures | Advances paid | Goodwill | Total |
|---|---|---|---|---|---|
| Cost at 1 Jan 2020 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Increases | 0.00 | 163,845.30 | 0.00 | 0.00 | 163,845.30 |
| Cost at 31 Dec 2020 | 0.00 | 163,845.30 | 0.00 | 0.00 | 163,845.30 |
| | | | | | |
| Accumulated amortization and impairment losses at 1 Jan 2020 | 0.00 | 0.00 | - | 0.00 | 0.00 |
| Amortization | 0.00 | -27,295.50 | - | 0.00 | -27,295.50 |
| Accumulated amortization and impairment losses at 31 Dec 2020 | 0.00 | -27,295.50 | - | 0.00 | -27,295.50 |
| | | | | | |
| **Book value 31 Dec 2020** | **0.00** | **136,549.80** | **0.00** | **0.00** | **136,549.80** |

## TANGIBLE ASSETS

| EUR | Machinery and equipment | Total |
|---|---|---|
| Cost at 1 Jan 2021 | 107,535.43 | 107,535.43 |
| Cost at 31 Dec 2021 | 107,535.43 | 107,535.43 |
| | | |
| Accumulated depreciation and impairment losses at 1 Jan 2021 | -47,046.73 | -47,046.73 |
| Amortization | -15,122.16 | -15,122.16 |
| Accumulated depreciation and impairment losses at 31 Dec 2021 | -62,168.89 | -62,168.89 |
| | | |
| **Book value 31 Dec 2021** | **45,366.54** | **45,366.54** |

| EUR | Machinery and equipment | Total |
|---|---|---|
| Cost at 1 Jan 2020 | 107,535.43 | 107,535.43 |
| Cost at 31 Dec 2020 | 107,535.43 | 107,535.43 |
| | | |
| Accumulated depreciation and impairment losses at 1 Jan 2020 | -26,883.85 | -26,883.85 |
| Amortization | -20,162.88 | -20,162.88 |
| Accumulated depreciation and impairment losses at 31 Dec 2020 | -47,046.73 | -47,046.73 |
| | | |
| **Book value 31 Dec 2020** | **60,488.70** | **60,488,70** |

## INVESTMENTS

| EUR | Investments in Group companies | Total |
|---|---|---|
| Cost at 1 Jan 2021 | 109,653,669.23 | 109,653,669.23 |
| Increases | 6,255,365.17 | 6,255,365.17 |
| Cost at 31 Dec 2021 | 115,909,034.40 | 115,909,034.40 |
| | | |
| **Book value 31 Dec 2021** | **115,909,034.40** | **115,909,034.40** |

| EUR | Investments in Group companies | Total |
|---|---|---|
| Cost at 1 Jan 2020 | 109,653,669.23 | 109,653,669.23 |
| Cost at 31 Dec 2020 | 109,653,669.23 | 109,653,669.23 |
| | | |
| **Book value 31 Dec 2020** | **109,653,669.23** | **109,653,669.23** |

## PREPAYMENTS AND ACCRUED INCOME

| EUR | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| Other accrued incomes | 198,785.63 | 92,020.54 |
| **Prepayments and accrued income** | **198,785.63** | **92,020.54** |

# Notes to equity and liabilities

| EUR | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| CHANGES IN EQUITY | | |
| | | |
| **Restricted equity** | | |
| | | |
| Share capital at 1 Jan | 80,000.00 | 80,000.00 |
| **Share capital at 31 Dec** | **80,000.00** | **80,000.00** |
| | | |
| **Total restricted equity** | **80,000.00** | **80,000.00** |
| | | |
| **Unrestricted equity** | | |
| | | |
| Reserve for invested unrestricted equity at 1 Jan | 109,202,890.02 | 109,202,890.02 |
| Issue of shares | 1,304,519.00 | 0.00 |
| **Reserve for invested unrestricted equity at 31 Dec** | **110,507,409.02** | **109,202,890.02** |
| | | |
| Retained earnings at 1 Jan | 15,141,347.78 | 16,773,785.90 |
| Dividend distribution | -3,737,278.25 | -2,484,937.50 |
| **Retained earnings at 31 Dec** | **11,404,069.53** | **14,288,848.40** |
| | | |
| **Profit (loss) for the financial year** | **3,163,191.54** | **852,499.38** |
| | | |
| **Total unrestricted equity** | **125,074,670.09** | **124,344,237.80** |
| | | |
| TOTAL EQUITY | 125,154,670.09 | 124,424,237.80 |
| | | |
| **Specification of distributable funds** | | |
| | | |
| Retained earnings | 11,404,069.53 | |
| Profit (loss) for the financial year | 3,163,191.54 | |
| Reserve for invested unrestricted equity | 110,507,409.02 | |
| **Total unrestricted equity** | **125,074,670.09** | |
| | | |
| **Total distributable funds** | **125,074,670.09** | |

### NOTES TO REPORT OF THE BOARD OF DIRECTORS ACCORDING TO LIMITED LIABILITY COMPANIES ACT

| Share capital | 2021 | 2020 |
|---|---|---|
| Number of shares | 25,046,815 | 24,849,375 |

The company has one share class, and each share entitles to one vote in the General Meetings. The shares carry no limitations on voting. The shares in the company do not have a nominal value. All Eezy's shares carry equal rights to dividends and other distributions of funds by the company (including distributions of assets in the event of the liquidation of the company).

#### DIVIDEND PROPOSAL

Board of Directors proposes a dividend of EUR 0.15 per share, of which 0.10 eur will be paid in April and 0.05 eur in October.

### ACCRUALS AND DEFERRED INCOME

| EUR | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| Accrued interests of the loans from financial institutions | 108,423.60 | 116,062.51 |
| Accrued income taxes | 447,054.66 | 237,335.05 |
| Personnel related accrued expenses | 772,227.10 | 549,184.50 |
| Other accrued expenses | 14,782.15 | 26,203.06 |
| **Accruals and deferred income** | **1,342,487.51** | **928,785.12** |

# Collaterals and commitments

| EUR | 31 Dec 2021 | 31 Dec 2020 |
|---|---|---|
| **Liabilities, mortgages and shares as collaterals** | | |
| | | |
| Liabilities to credit institutions, other mortgage as collateral | 47,666,664.00 | 51,888,888.00 |
| Liabilities to credit institutions | 47,666,664.00 | 51,888,888.00 |
| | | |
| **Liabilities, mortgages and shares as collaterals** | **47,666,664.00** | **51,888,888.00** |
| | | |
| **Mortgage and shares, collateral for liabilities to credit institutions** | | |
| | | |
| Company mortgage given to collateral for liabilities to credit institutions | 100,000,000.00 | 100,000,000.00 |
| Other mortgage, collateral for liabilities to credit institutions | 100,000,000.00 | 100,000,000.00 |
| | | |
| Book value of pledged shares, collateral for liabilities to credit institutions | 109,653,669.23 | 109,653,669.23 |
| Pledged shares | 109,653,669.23 | 109,653,669.23 |
| | | |
| **Mortgage and shares, collateral for liabilities to credit institutions** | **209,653,669.23** | **209,653,669.23** |
| | | |
| **Collaterals give on behalf of group companies** | | |
| | | |
| Guarantees | 10,669,997.00 | 10,000,000.00 |
| **Collaterals given on behalf of group companies** | **10,669,997.00** | **10,000,000.00** |
| | | |
| **Collaterals** | **220,323,666.23** | **219,653,669.23** |
| | | |
| **Commitments and other obligations** | | |
| | | |
| Rental liabilities, payable in less than one year | 76,686.60 | 0.00 |
| Rental liabilities, payble in more than one year | 300,355.85 | 0.00 |
| **Rental liabilities** | **377,042.45** | **0.00** |
| | | |
| Lease obligations, payable in less than one year | 79,158.92 | 76,123.95 |
| Lease obligations, payble in more than one year | 44,192.37 | 52,687.83 |
| **Lease obligations** | **123,351.29** | **128,811.78** |
| | | |
| **Commitments** | **500,393.74** | **128,811.78** |

# Signatures to the Financial Statements and Report of the Board of Directors

Helsinki, 16 February 2022

Tapio Pajuharju
Chair of the Board of Directors

Kati Hagros
Member of the Board of Directors

Liisa Harjula
Member of the Board of Directors

Timo Laine
Member of the Board of Directors

Timo Mänty
Member of the Board of Directors

Paul-Petteri Savolainen
Member of the Board of Directors

Jarno Suominen
Member of the Board of Directors

Mika Uotila
Member of the Board of Directors

Sami Asikainen
CEO

**AUDITOR'S NOTE**
An auditor's statement has been issued today on the complete audit. Helsinki, 16 February 2022

KPMG Oy Ab

Esa Kailiala
Authorized Public Accountant

# Auditor's Report

## To the Annual General Meeting of Eezy Oyj

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### OPINION

We have audited the financial statements of Eezy Oyj (business identity code 2854570-7) for the year ended 31 December, 2021. The financial statements comprise the consolidated balance sheet, consolidated statement of comprehensive income, changes in equity, cash flow statement and notes, including a summary of significant accounting policies, as well as the parent company's balance sheet, income statement, statement of cash flows and notes.

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report submitted to the Audit Committee.

#### BASIS FOR OPINION

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

In our best knowledge and understanding, the non-audit services that we have provided to the parent company and group companies are in compliance with laws and regulations applicable in Finland regarding these services, and we have not provided any prohibited non-audit services referred to in Article 5(1) of regulation (EU) 537/2014. The non-audit services that we have provided have been disclosed in note 10 to the consolidated financial statements.

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

#### MATERIALITY

The scope of our audit was influenced by our application of materiality. The materiality is determined based on our professional judgement and is used to determine the nature, timing and extent of our audit procedures and to evaluate the effect of identified misstatements on the financial statements as a whole. The level of materiality we set is based on our assessment of the magnitude of misstatements that, individually or in aggregate, could reasonably be expected to have influence on the economic decisions of the users of the financial statements. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for qualitative reasons for the users of the financial statements.

#### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The significant risks of material misstatement referred to in the EU Regulation No 537/2014 point (c) of Article 10(2) are included in the description of key audit matters below.

We have also addressed the risk of management override of internal controls. This includes consideration of whether there was evidence of management bias that represented a risk of material misstatement due to fraud.

| The key audit matter | How the matter was addressed in the audit |
|---|---|
| **Revenue recognition (EUR 203.3 million) (Accounting policies for the consolidated financial statements and note 3)** | |
| • Eezy Group's revenue comprises income from staffing services, professional services and self-employment services. Franchising revenue comprises charges based on cooperation agreements.<br>• The amount and timing of recognition of reportable revenues depend on range of services, contract terms and conditions, and contract term.<br>• Revenue recognition involves a risk of revenue being recognized in the financial statements in the incorrect period or at inaccurate amount. | • We evaluated the appropriateness of the company's revenue recognition policies applied and tested related internal controls in place.<br>• We verified the accuracy of revenue recognition by testing on a sample basis that the service provided and the related invoice were recognized in the appropriate period in accordance with the contract terms, among others. In respect of trade receivables we examined doubtful receivables.<br>• Furthermore, we inspected credit notes and controls over credit note approval and recognition. |
| **Valuation of consolidated goodwill (EUR 134.0 million) and subsidiary shares in parent company's financial statements (EUR 115.9 million) (Accounting policies for the consolidated financial statements, note 16 and notes to the parent company financial statements)** | |
| • At the balance sheet date 31 December 2021 goodwill totaled EUR 134.0 million, representing approximately 65% of the consolidated total assets. The subsidiary shares, EUR 115.9 million, account for approximately 56% for the parent company's total assets.<br>• Consolidated goodwill is not amortised, but is tested at least annually for impairment. Valuation of subsidiary shares is tested in connection with the goodwill impairment testing.<br>• Group management is responsible for preparing impairment tests. The calculations use discounted future cash flow forecasts in which management makes significant judgments over revenue growth rate, discount rate and long-term growth rate underlying the projections.<br>• Preparation of impairment testing calculations requires management make significant judgments and estimates about the future. | • We assessed the appropriateness of the cash flow forecasts and discount rates used in the calculations. We analysed critically the management assumptions underlying the future cash flow forecasts.<br>• We utilised our own valuation specialists that assessed the technical accuracy of the calculations and compared the assumptions used to market and industry information.<br>• In the year-end audit we considered the appropriateness and adequacy of the notes provided on goodwill, subsidiary shares and impairment testing calculations. |
| **Interest-bearing liabilities (EUR 52.8 million) (Notes 25 and 27 to the consolidated financial statements)** | |
| • At the financial year-end 2021 the consolidated interest-bearing liabilities totaled EUR 52.8 million, representing approximately 26% of the consolidated equity and liabilities. Significant part of the liabilities matures during the next three years. | • As part of the year-end audit procedures we reconciled the interest-bearing liability balances to external confirmations.<br>• We considered the appropriateness of the notes concerning the interest-bearing liabilities. |

**RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS**

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

**AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice 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 the financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, 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 opinion. 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 internal control relevant to the 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 parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or 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 financial statements or, if such disclosures are inadequate, to modify our opinion. 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 the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying

transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and 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 those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### *Other Reporting Requirements*

#### INFORMATION ON OUR AUDIT ENGAGEMENT

We have been appointed as auditors by the Annual General Meeting, and our appointment represents a total period of uninterrupted engagement of five years. Eezy Oyj has been a public interest entity since 9.9.2020.

#### OTHER INFORMATION

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report, and the Annual Report is expected to be made available to us after that date. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we 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.

Helsinki 16.2.2022
KPMG OY AB

ESA KAILIALA
Authorised Public Accountant, KHT

This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

# Board of Directors

**TAPIO PAJUHARJU**
b. 1963, M.Sc. (Econ.)
Chairperson of the Board (2019–)
Member of the Board (2010–)
Harvia Group, CEO (2016–)

**KATI HAGROS**
b. 1970, M.Sc. (Eng.) and M.Sc. (Soc.)
Member of the Board (2019–)
Aalto University, Chief Digital Officer, (2016–)

**LIISA HARJULA**
b. 1972, M.Sc. (Econ.), LL.M, LL.M with court training
Member of the Board (2017–)
Sentica Partners Oy, Investment director, CFO & IR (2013–)

**TIMO LAINE**
b. 1966, MTK (technical school)
Member of the Board (2019–)
Founder of Restamax Oyj (now NoHo Partners Oyj)
Wave Capital Oy, Chief Executive Officer (2007–)

**TIMO MÄNTY**
b. 1960, M.Sc. (Econ.)
Member of the Board (2019–)
Onninen Oy, Chief Executive Officer (2011–2016)

**PAUL SAVOLAINEN**
b. 1976, vocational qualification in information technology, Further Qualification for Entrepreneurs
Member of the Board (2013–)
Meissa-Capital Oy, CEO (2013–)

**JARNO SUOMINEN**
b. 1972, Manager in Hotel and Restaurant industry
Member of the Board (2019–)
NoHo Partners Oyj,
Deputy to the CEO (2020–),
Chief Financial Officer (2005–2019)

**MIKA UOTILA**
b. 1971, M.Sc. (Econ.)
Member of the Board (2017–)
Sentica Partners Oy, CEO (2007–)

# Management Team

**SAMI ASIKAINEN**
b. 1971, Vocational Qualification in Business and Administration
CEO (2019–)

**HANNU NYMAN**
b. 1969, M.Sc.(Tech), M.Sc.(Econ.)
CFO (2019–)

**HANNA LEHTO**
b. 1984, M.A.
Director, People and Culture (2021–)

**PASI PAPUNEN**
b. 1963, M.Soc.Sc.
Executive Vice President, Growth and Renewal (2021–)

**THOMAS HYNNINEN**
b. 1971, M.Sc.
Director, Work and Talent (2021–)

**ISA MERIKALLIO***
b. 1968, Baccalaureate of Sc. (Law)
Content Director (2021–)

**PÄIVI SALO**
b. 1980, M.Sc. (Econ.)
Chief Digital Officer (2021–)

* The responsibilities of Isa Merikallio have changed and she has left the management team on 25 February 2022.

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