



Eezy Plc

January-March 2024



Q1/2024

Demand for staffing services remains weak – focus on increasing productivity

In Brief

January–March 2024

- Revenue was EUR 41.5 million (EUR 52.8 million in January–March 2023). Revenue decreased by 21%.
- EBITDA was EUR 2.3 million (3.4).
- EBIT was EUR 0.5 million (1.3) and was 1.2% of revenue (2.5%).
- EUR 0.3 million in personnel expenses related to severance payments were recorded in the result.
- Earnings per share was EUR 0.01 (0.02).

Outlook for 2024

Eezy does not give guidance for 2024.

Key figures (IFRS)

| EUR million, unless otherwise specified | 1–3/2024 | 1–3/2023 | 1–12/2023 |
|---|----------|----------|-----------|
| Revenue | 41.5 | 52.8 | 219.0 |
| EBITDA | 2.3 | 3.4 | 14.5 |
| EBITDA, % | 5.5% | 6.5% | 6.6% |
| EBIT | 0.5 | 1.3 | 4.0 |
| EBIT, % | 1.2% | 2.5% | 1.8% |
| EPS, basic, EUR | 0.01 | 0.02 | 0.03 |
| EPS, diluted, EUR | 0.01 | 0.02 | 0.03 |
| Net debt / EBITDA | 4.5 x | 3.0 x | 4.0 x |
| Chain-wide revenue | 60.0 | 73.8 | 307.6 |

Siina Saksi, CEO:



”Demand for staffing in our main sectors, construction and manufacturing, remained weak for the first part of the year. Revenue increased for our Professional services, which is a great achievement in a difficult market. The yearly savings of EUR 3 million, as planned in our profitability program, show in lower fixed costs. Our strategy progresses as planned. We have made significant progress in our new technology roll-out as well as in co-selling our vast service portfolio to our clients.

In the first quarter, our revenue was EUR 41.5 million, decreasing (-21%) due to a sharp drop in demand for Staffing Services. In Staffing Services, demand weakened most in the construction and industrial sectors. These sectors account for nearly half of our revenue in the Staffing Services business area. Orders are also shorter – for the time being, our customers are reluctant to commit to long contracts. The overall staffing market declined by -8% in January-February (vs. 2023. source: HELA). The market volume includes the healthcare sector, which has grown strongly in recent years.

Our Professional Services business area's revenue grew 7% in the first quarter to EUR 8.0 million (7.4), a great result in this challenging economic environment. The growth was driven by Employment Services for the public sector and Employee Surveys. Demand for direct recruitment, personal assessments and light entrepreneurship services has declined in this weak economic climate.

Our EBIT for the first quarter was EUR 0.5 million (1.3), a decrease mainly explained by the decline in the revenue of Staffing Services and the industry focus in our clientele, which was unfavorable in this market situation. EBIT was decreased by one-off costs of EUR 0.3 million in personnel expenses related to severance payments. We have implemented the profitability program we launched in August. Guaranteed yearly savings of EUR 3 million in fixed costs will improve our profitability. We will continue the detailed examination of costs and the optimization of operations according to our plan without compromising the business or our ability to grow faster than the market when the cycle improves.

Our strategy is on track – first results already visible

We published our new strategy "Good Work 2028" in February. Our long-term goals are to grow faster than the market in our Staffing Services, double the revenue of our Professional Services and achieve an EBIT level of 8% in 2028.

A key source for growth is to harness the power of our nationwide network of regional operators, and, of our digital service, which is independent of time and place.

The core of improving profitability lies in leveraging the economies of scale brought by growth and in harnessing technology and artificial intelligence in our core business processes.

In April, we started rolling out the AI-enabled ERP system in Staffing Services with first customers and staffed employees. We see now in practice what a significant source of productivity, growth and competitive advantage our new system, developed by us, is. We will continue the development and deployment work throughout 2024. I am beyond excited about this.

The economic cycle has been exceptionally difficult throughout my time as CEO. However, I still see strong opportunities for growth and productivity gains over this strategic period. Our competitive advantages include the largest national network, a strong and responsible brand, satisfied customers, and a broad client base. We can also offer our customers the widest range of services within the market. We will revolutionize the staffing service industry with our AI-enabled technology. By focusing together with the Eezy team on what we do best in the country, we will achieve our strategic goals.”

Market review

The HR services market relevant to Eezy's business includes staffing services, light entrepreneurship services and selected professional services. Due to the working life megatrends and the increased need for flexible workforce we believe in the growth potential of the market.

According to an estimate by management, the size of the entire HR services market in Finland was EUR 3.3 billion in 2023, of which the staffing services were EUR 2.6 billion. The market size of the relevant recruitment services was over EUR 100 million. The invoicing volume of light entrepreneurship services market has been estimated to be approx. EUR 300 million and revenue to be approx. EUR 25-30 million. Market for employment services is estimated to be EUR 130-140 million. Employee experience surveys and consulting services markets are approx. EUR 150 million.

According to the Employment Industry Finland (HELA) association, the revenue of the largest companies in the staffing service market decreased approx. 7% in February 2024 and in January–February approx. 8% compared to last year. According to HELA, the economic circumstances in HR services are still weak, but the decline in sales is expected to stabilize in the next few months. The market volume includes the healthcare sector, which has grown strongly in recent years.

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.

Business developments

Economic conditions continued weak in the first quarter of 2024, decreasing the workforce needs of many customers. The revenue decreased by 26 % in the staffing services area where the decline in revenue comes specially from the industry and construction sectors, which represents about a third of Eezy's revenue. The retail sector volumes remained almost at last year's level.

The weak development in revenue varies by geographic area and by customer, but the general trend is similar in whole Finland. In Southern Finland and in franchise areas the decline in demand compared to the comparative period has been smaller.

Revenue by service area

| EUR million | 1–3/2024 | 1–3/2023 | Change % | 1–12/2023 |
|-----------------------------------|-------------|-------------|-------------|--------------|
| Staffing services | 33.6 | 45.4 | -26% | 188.3 |
| Professional services | 8.0 | 7.4 | 7% | 31.0 |
| Common functions and eliminations | -0.2 | -0.1 | - | -0.3 |
| Total | 41.5 | 52.8 | -21% | 219.0 |

In the professional services area revenue increased by 7%. Especially the Employment services for the public sector grew strongly. On the other hand, the demand for direct search services has decreased with the economic downturn in the recruitment service industry.

Revenue

Eezy's revenue amounted to EUR 41.5 million (52.8), decreasing by 21% compared to the corresponding period in the previous year.

Revenue decreased by 26% in the staffing services area, where the most significant decline in revenue comes from the industry and construction sectors. In the professional services area revenue increased by 7%, where especially Employment services continued to grow strongly.

Eezy's chain-wide revenue amounted to EUR 60.0 million (73.8) decreasing by 19%. Franchise fees totaled EUR 1.1 million (1.3). The invoicing volume of light entrepreneurship services was EUR 8.0 million (9.4).

Result

EBITDA was EUR 2.3 million (3.4). The result is particularly affected by the decrease in the share of the industry and construction sectors in the staffing services which has weakened the profitability. On the other hand, the profitability was improved by the lower personnel expenses of group employees. EUR 0.3 million in personnel expenses related to severance payments were recorded in the result.

Operating profit was EUR 0.5 million (1.3). Total depreciation, amortization and impairment was EUR 1.8 million (2.1), of which EUR 0.8 million (0.9) was acquisition related amortization.

The result before taxes was EUR 0.2 million (0.7) and the result for the period was EUR 0.3 million (0.5). Eezy increased its ownership in Eezy Valmennuskeskus Ltd by 10%, which decreased the contingent consideration related to Eezy Valmennuskeskus by approx. EUR 0.9 million and resulted in financial income of approx. EUR 0.5 million. Earnings per share was EUR 0.01 (0.02).

Financial position and cash flow

Eezy's consolidated balance sheet on 31 March 2024 amounted to EUR 203.0 million (210.4), of which equity made up EUR 109.9 million (113.4).

As of 31 March 2024, the Group has liabilities to credit institutions amounting to EUR 52.9 million (52.0), of which EUR 47.3 million (47.6) was non-current.

Cash balance on 31 March 2024 was EUR 0.1 million (0.9). The Group has overdraft facilities in total of EUR 10.0 million, of which EUR 2.5 million were used on 31 March 2024.

Equity ratio stood at 54.2% (53.9%). The Group's net debt including IFRS16 leasing items on 31 March 2024 amounted to EUR 60.2 million (56.8). Net debt excluding IFRS16 leasing items was EUR 52.8 million (52.1). The net debt/EBITDA ratio was 4.5 x (3.0 x).

Operative free cash flow amounted to EUR -2.2 million (-2.7).

Investments and acquisitions

Eezy's investments in subsidiary shares presented in the cash flow statement amounted to EUR 0.5 million (0.0). Investments include increasing the ownership in Eezy Valmennuskeskus Ltd.

Investments in tangible and intangible assets totaled EUR 0.7 million (0.7). Investments were mainly related to IT investments.

Employees

Eezy employs people in Group functions and as staffed employees assigned to customer companies. Eezy employed on average of 477 (514) people in Group functions and on average 2 244 (3 025) 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

Saara Tikkanen started work as HR and Development Director on 8 January 2024.

On 11 January 2024, Ari Myllyniemi was appointed as interim Director of Staffing services and as member of the management team. Thomas Hynninen left the position of Director, Staffing services and management team.

On 31 March 2024 the management team included

- Siina Saksi, CEO
- Hannu Nyman, CFO
- Ari Myllyniemi, interim Director, Staffing services
- Markus Jussila, Director, Professional services
- Saara Tikkanen, HR and Development Director
- Päivi Salo, Chief Digital Officer (CDO)
- Marleena Bask, Chief Communication and Marketing Officer

Joni Aaltonen has been appointed as Eezy Plc's Chief Financial Officer and a member of the Group management team effective from 1 April 2024. Hannu Nyman continued his career at another employer.

Shares and shareholders

On 31 March 2024, Eezy Plc had 25 046 815 (25 046 815) registered shares. The company holds no treasury shares. The company had 3 450 (2 946) shareholders, including nominee registered shareholders.

In January–March 2024, a total of 7 634 962 (463 279) shares were traded and the total trading volume was EUR 10.8 million (1.5). During the period, the highest quotation was EUR 1.76 (3.31) and the lowest EUR 1.05 (3.18). The volume-weighted average price of the share was EUR 1.42 (3.27). The closing price of the share at the end of March was EUR 1.20 (3.24) and the market value stood at EUR 30.1 million (81.2).

On 31 March 2024, the members of the Board of Directors and the members of the management team owned a total of 2 083 570 (397 470) Eezy shares, corresponding to approximately 8.3% (1.6%) 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.

The company has received flagging notices: The ownership of NoHo Partners Oyj has decreased below 5% after the company sold their shares, the ownership of Sentica Buyout V Ky has exceeded 25%, the ownership of SVP-Invest Oy has exceeded 5% and the ownership of OP-Rahastoyhtiö Oy has exceeded 5%.

Ten largest shareholders as of 31 March 2024:

| Shareholder | Shares | % |
|---------------------------------|-------------------|---------------|
| 1. Sentica Buyout V Ky | 7 065 658 | 28.21 |
| 2. Meissa-Capital Oy | 3 223 071 | 12.87 |
| 5. Op-Suomi Small Cap fund | 1 719 668 | 6.87 |
| 3. SVP-Invest Oy | 1 500 000 | 5.99 |
| 4. Evli Suomi Small Cap fund | 1 341 126 | 5.35 |
| 6. WestStar Oy | 552 464 | 2.21 |
| 7. Visio Allocator fund | 498 000 | 1.99 |
| 8. Oy Jobinvest Ltd | 410 093 | 1.64 |
| 9. Notacon Oy | 331 353 | 1.32 |
| 10. Säästöpankki Small Cap fund | 322 200 | 1.29 |
| 10 largest in total | 16 963 633 | 67.73 |
| Nominee-registered | 746 013 | 2.98 |
| Others | 7 337 169 | 29.29 |
| Total | 25 046 815 | 100.00 |

Governance

Annual General Meeting

The Annual General Meeting (AGM) was held after the review period on 9 April 2024.

The financial statements and the consolidated financial statements for the financial year 2023 were adopted. The members of the board of directors and the CEOs were discharged from liability for financial year 2023. The remuneration report and the remuneration policy for governing bodies was approved.

The AGM decided that no dividend is paid based on the balance sheet adopted for the financial year 2023.

Seven members were elected to the board of directors. Tapio Pajuharju, Kati Hagros, Maria Pajamo, Paul-Petteri Savolainen, Mika Uotila and Mikko Wirén were re-elected as members of the board of directors. Tomi Laaksola was elected as a new member.

The members of the board of directors will be paid monthly remuneration EUR 5 000 per month for the chairperson of the board and EUR 2 500 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.

The AGM re-elected the company's current auditor, KPMG Oy Ab, which has stated that Niklas Oikia, APA, will act as the new responsible auditor. KPMG Oy Ab as the auditor of the company will also carry out the assurance of the company's sustainability reporting for the financial year 2024.

In a formation meeting of the board, held after the AGM, Tapio Pajuharju was elected to continue as the chairman. Mika Uotila (chair), Kati Hagros and Paul Savolainen will be the Audit committee.

The board of directors decided to add responsibility matters to the remit of the Human Resources Committee. The Sustainability and Human resources Committee assists the board of directors in matters related to the appointment, terms of employment and remuneration of senior management, remuneration of other personnel and personnel policy, as well as matters related to corporate and social responsibility. The Sustainability and Human Resources Committee members will be Maria Pajamo (chair), Tapio Pajuharju and Mikko Wirén.

Valid authorizations

The authorisations given by the AGM on 9 April 2024 are described in detail in the stock exchange release about the AGM's decisions.

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 2 500 000 shares. The authorisation is valid until the end of the annual general meeting of 2025, 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 2 500 000 shares. The authorisation is valid until the end of the annual general meeting of 2025, however, for a maximum of 18 months. The authorization is unused.

Strategy and long-term financial targets

Eezy Plc's board of directors has approved the company's updated strategy and long-term financial targets for 2024-2028. With the new strategy, Eezy focuses on services related to its customers' personnel, leadership, and corporate culture. Company seeks revenue and profitability growth especially from the use of technology and artificial intelligence in the Staffing Services business area.

Eezy's long-term targets for the strategy period aim for profitable growth. In Staffing services, Eezy seeks faster revenue growth than the staffing market. For the Professional Services business area, the goal is to double revenue from the 2023 level by the end of the strategy period.

Eezy also aims to improve its profitability remarkably and to achieve an 8% operating profit (EBIT) margin by the end of the strategy period. Improving profitability is based on

leveraging the economies of scale brought by revenue growth, increasing productivity through the utilization of technology and artificial intelligence, and enhancing efficiency through stronger productization of services.

Eezy's goal is to continue to distribute 30-50 percent of the annual result as dividends.

Five areas have been identified as the most important sources of growth.

Leveraging nation-wide strenght. With a nationwide network of offices and franchise-entrepreneurs, the company sees significant growth opportunities in the construction and industry sectors, regionally unevenly grown retail and horeca sectors, as well as in services currently offered limited outside the capital area, such as personnel assessment and executive search.

Increasing productivity by use of technology and AI. Eezy's growth and efficiency improvement are supported by significant investments in the use of technology and artificial intelligence. The development project of the resource planning system in the Staffing business area scales operations and productivity, improves delivery reliability and speed, which gives the company a clear competitive advantage and growth opportunities especially in fast-paced industries such as the horeca and retail sectors. The use of technology and artificial intelligence creates significant growth and productivity opportunities for other services as well.

Social and health care and office industries' staffing. The company's goal is to expand its Staffing services business more strongly in the social and health care and office work sectors during the strategy period. These sectors are less cyclical than many other staffing sectors, such as construction or industry.

Increasing efficiency by conceptualization and productization of services. By productizing and conceptualizing its services more effectively, Eezy estimates that it can increase its market share in the needs of its customers' HR and growth related strategies and improve its efficiency and profitability.

Scaling of foreign labor. With the labor shortage, our society needs workers also from outside the national borders. Eezy intends to strengthen the recruitment of foreign labor during the strategy period.

Eezy aims for primarily organic growth during the strategy period, but growth can also be supported by acquisitions that support the strategy.

Eezy is a significant and responsible societal actor in Finland. A growing private sector, high employment and solving the labor shortage are vital conditions for the Finnish welfare society. Eezy helps its customers succeed in their business by recruiting skilled workers flexibly, researching and developing employee experience and leadership, and designing corporate cultures that support companies' strategy. Our mission is to be a maker of a good working life.

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.

Poor economic development and high inflation in Finland may have an 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.

Sick leaves may negatively affect Eezy through the sick leaves of either staffed employees or employees in group functions, as well as by disturbing or stopping customers' businesses.

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 2024

Eezy does not give guidance for 2024.

Events after the review period

Joni Aaltonen has been appointed as Eezy Plc's Chief Financial Officer and a member of the Group management team effective from 1 April 2024.

The Annual General Meeting (AGM) was held on 9 April 2024.

Eezy Plc
Board of Directors

More information:

Siina Saksi, CEO
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Marleena Bask, Communications and Marketing Director
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Result publication event:

A Finnish-language briefing for analysts and media will be held on 7 May 2024 at 13.00 Finnish time as a webcast at <https://eezy.videosync.fi/q1-2024>

The briefing will be hosted by CEO Siina Saksi and CFO Joni Aaltonen. During the presentation, there will be an opportunity to ask questions. The presentation material will be available at the company website at <https://eezy.fi/en/investors/financials/reports-and-presentations/> before the conference. A recording of the audio cast will be available at the same website later.

Result dates

| | |
|---------------------------------------|-----------------|
| Half-Year Report January–June 2024 | 6 August 2024 |
| Interim Report January–September 2024 | 5 November 2024 |

Consolidated statement of comprehensive income (IFRS)

(unaudited)

| EUR thousand | 1 Jan – 31 Mar 2024 | 1 Jan – 31 Mar 2023 | 1 Jan – 31 Dec 2023 |
|--|---------------------|---------------------|---------------------|
| Revenue | 41 450 | 52 776 | 218 974 |
| Other operating income | 80 | 60 | 261 |
| Share of result of equity accounted investments | - | -15 | -2 |
| Materials and services | -2 262 | -2 326 | -9 724 |
| Personnel expenses | -33 690 | -43 245 | -178 326 |
| Other operating expenses | -3 291 | -3 811 | -16 663 |
| Depreciation, amortization and impairment losses | -1 795 | -2 096 | -10 488 |
| Operating profit | 492 | 1 343 | 4 031 |
| Financial income | 513 | -46 | 108 |
| Financial expense | -790 | -611 | -2 740 |
| Financial income and expenses | -277 | -656 | -2 632 |
| Profit before taxes | 215 | 687 | 1 399 |
| Income taxes | 42 | -172 | -370 |
| Profit for the period | 257 | 515 | 1 029 |
| Comprehensive income for the period | 257 | 515 | 1 029 |
| Profit attributable to | | | |
| Owners of the parent company | 301 | 521 | 645 |
| Non-controlling interests | -44 | -6 | 384 |
| Profit for the period | 257 | 515 | 1 029 |
| Earnings per share, basic (EUR) | 0.01 | 0.02 | 0.03 |
| Earnings per share, diluted (EUR) | 0.01 | 0.02 | 0.03 |

Consolidated balance sheet (IFRS)

| EUR thousand | 31 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
|--|----------------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Goodwill | 141 654 | 141 654 | 141 654 |
| Intangible assets | 23 112 | 27 606 | 23 500 |
| Property, plant and equipment | 7 668 | 5 156 | 7 969 |
| Equity accounted investments | - | 137 | - |
| Investments in shares | 240 | 240 | 240 |
| Receivables | 1 818 | 2 476 | 1 992 |
| Deferred tax asset | 997 | 1 166 | 272 |
| Total non-current assets | 175 489 | 178 437 | 175 628 |
| Current assets | | | |
| Trade receivables and other receivables | 26 972 | 30 713 | 29 574 |
| Current income tax receivables | 354 | 345 | 212 |
| Cash and cash equivalents | 137 | 881 | 1 270 |
| Total current assets | 27 462 | 31 939 | 31 057 |
| TOTAL ASSETS | 202 951 | 210 376 | 206 684 |
| EQUITY AND LIABILITIES | | | |
| Equity attributable to the owners of the parent company | | | |
| Share capital | 80 | 80 | 80 |
| Reserve for invested unrestricted equity | 107 876 | 107 876 | 107 876 |
| Retained earnings | -1 516 | 2 014 | -1 819 |
| Total equity attributable to the owners of the parent company | 106 441 | 109 970 | 106 137 |
| Non-controlling interests | 3 500 | 3 422 | 3 774 |
| Total equity | 109 940 | 113 392 | 109 911 |
| Non-current liabilities | | | |
| Loans from financial institutions | 47 330 | 47 551 | 48 568 |
| Lease liabilities | 4 947 | 2 606 | 5 215 |
| Other liabilities | 20 | 41 | 23 |
| Deferred tax liability | 3 664 | 4 716 | 3 802 |
| Total non-current liabilities | 55 961 | 54 914 | 57 609 |
| Current liabilities | | | |
| Loans from financial institutions | 5 558 | 4 448 | 2 106 |
| Lease liabilities | 2 478 | 2 050 | 2 402 |
| Trade payables and other liabilities | 28 217 | 34 535 | 34 181 |
| Current income tax liabilities | 796 | 1 037 | 475 |
| Total current liabilities | 37 049 | 42 069 | 39 164 |
| Total liabilities | 93 010 | 96 983 | 96 773 |
| TOTAL EQUITY AND LIABILITIES | 202 951 | 210 376 | 206 684 |

Consolidated cash flow statement (IFRS)

| EUR thousand | 1 Jan – 31 Mar 2024 | 1 Jan – 31 Mar 2023 | 1 Jan – 31 Dec 2023 |
|--|---------------------|---------------------|---------------------|
| Cash flows from operating activities | | | |
| Customer payments received | 44 740 | 54 930 | 222 674 |
| Cash paid to suppliers and employees | -45 548 | -56 344 | -211 274 |
| Cash flows from operating activities before financial items and taxes | -808 | -1 414 | 11 399 |
| Interest paid | -206 | -81 | -2 632 |
| Interest received | 22 | 11 | 209 |
| Other financial items | 32 | 17 | -24 |
| Income taxes paid | -641 | -1 821 | -2 467 |
| Net cash flows from operating activities | -1 601 | -3 288 | 6 486 |
| Cash flows from investing activities | | | |
| Purchase of tangible and intangible assets | -721 | -650 | -2 899 |
| Proceeds from sale of tangible assets | 85 | - | - |
| Acquisition of subsidiaries, net of cash acquired | -476 | - | - |
| Disposal of equity accounted investments | - | - | 50 |
| Loans granted | - | -33 | -33 |
| Proceeds from repayments of loans | - | - | 33 |
| Net cash flows from investing activities | -1 112 | -683 | -2 849 |
| Cash flows from financing activities | | | |
| Change in non-controlling interests | - | -2 | -215 |
| Proceeds from current borrowings | 2 481 | - | - |
| Repayment of current borrowings | -272 | -69 | -1 337 |
| Payment of lease liabilities | -629 | -650 | -2 603 |
| Dividends paid | - | -196 | -3 980 |
| Net cash flows from financing activities | 1 579 | -917 | -8 135 |
| Net change in cash and cash equivalents | -1 134 | -4 887 | -4 498 |
| Cash and cash equivalents at the beginning of the reporting period | 1 270 | 5 768 | 5 768 |
| Cash and cash equivalents at the end of the reporting period | 137 | 881 | 1 270 |

Changes in equity (IFRS)

| EUR thousand | Attributable to owners of the parent | | | | | Non-controlling interests | Total equity |
|-----------------------------------|--------------------------------------|--|-------------------|---------|--|---------------------------|--------------|
| | Share capital | Reserve for invested unrestricted equity | Retained earnings | Total | | | |
| Equity 1 Jan 2024 | 80 | 107 876 | -1 819 | 106 137 | | 3 774 | 109 911 |
| Result for the period | - | - | 301 | 301 | | -44 | 257 |
| Total comprehensive income | - | - | 301 | 301 | | -44 | 257 |
| Transactions with owners | | | | | | | |
| Dividend distribution | - | - | - | - | | -231 | -231 |
| Share based payments | - | - | 2 | 2 | | - | 2 |
| Total equity 31 Mar 2024 | 80 | 107 876 | -1 516 | 106 441 | | 3 500 | 109 940 |

| EUR thousand | Attributable to owners of the parent | | | | | Non-controlling interests | Total equity |
|--------------------------------------|--------------------------------------|--|-------------------|---------|--|---------------------------|--------------|
| | Share capital | Reserve for invested unrestricted equity | Retained earnings | Total | | | |
| Equity 1 Jan 2023 | 80 | 107 876 | 1 488 | 109 444 | | 3 630 | 113 074 |
| Result for the period | - | - | 521 | 521 | | -6 | 515 |
| Total comprehensive income | - | - | 521 | 521 | | -6 | 515 |
| Transactions with owners | | | | | | | |
| Dividend distribution | - | - | - | - | | -196 | -196 |
| Changes in non-controlling interests | - | - | 4 | 4 | | -6 | -2 |
| Share based payments | - | - | 1 | 1 | | - | 1 |
| Total equity 31 Mar 2023 | 80 | 107 876 | 2 014 | 109 970 | | 3 422 | 113 392 |

| EUR thousand | Attributable to owners of the parent | | | | | Non-controlling interests | Total equity |
|--------------------------------------|--------------------------------------|--|-------------------|---------|--|---------------------------|--------------|
| | Share capital | Reserve for invested unrestricted equity | Retained earnings | Total | | | |
| Equity 1 Jan 2023 | 80 | 107 876 | 1 488 | 109 444 | | 3 630 | 113 074 |
| Result for the period | - | - | 645 | 645 | | 384 | 1 029 |
| Total comprehensive income | - | - | 645 | 645 | | 384 | 1 029 |
| Transactions with owners | | | | | | | |
| Dividend distribution | - | - | -3 757 | -3 757 | | -223 | -3 980 |
| Changes in non-controlling interests | - | - | -198 | -198 | | -18 | -215 |
| Share based payments | - | - | 3 | 3 | | - | 3 |
| Total equity 31 Dec 2023 | 80 | 107 876 | -1 819 | 106 137 | | 3 774 | 109 911 |

Notes to the Interim Report

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.

Basis of preparation

Eezy Plc has prepared this Interim Report in accordance with IAS 34 Interim Financial Reporting. The financial information in the Interim Report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting policies comply with the IFRS standards and IFRIC interpretations effective as at 31 March 2024. The accounting policies in the Interim Report are the same as in Financial Statements 2023.

The information presented in the Interim Report is unaudited. All figures presented have been rounded and consequently the sum of individual figures may deviate from the presented sum figure.

Accounting estimates

In preparing this Interim Report, management has been required to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The business growth and EBITDA used in goodwill impairment testing are based on management's assessment of the future development considering the general weak economic development in Finland and their effect on the economic outlook in HR services. In addition, the increased competition in the personnel service and recruitment market has been taken into account. Goodwill is tested regularly for impairment.

Revenue

Eezy's revenue comprises income from staffing services delivered both by group's own staffing units and through the franchise chain, and from professional services including 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 services area, Eezy provides consulting services for organizational development, cultural design, and personnel surveys. Eezy also provides recruitment, aptitude testing, training, and executive search services. Additionally, Eezy provides workforce training, coaching, guidance, and rehabilitation services to public sector 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 is reported divided into two service areas: Staffing services and Professional services. The revenue from staffing services includes both the group's own staffing services and the franchise fees. The revenue of professional services includes professional services and light entrepreneurship services.

Revenue by service area:

| EUR thousand | 1 Jan – 31 Mar 2024 | 1 Jan – 31 Mar 2023 | 1 Jan – 31 Dec 2023 |
|-----------------------------------|---------------------|---------------------|---------------------|
| Staffing services | 33 636 | 45 396 | 188 268 |
| Professional services | 8 001 | 7 447 | 31 030 |
| Common functions and eliminations | -186 | -68 | -325 |
| Total revenue | 41 450 | 52 776 | 218 974 |

Business combinations

Acquisitions 1–3/2024

Eezy increased its ownership in Eezy Valmennuskeskus Ltd by 10%, which decreased the contingent consideration related to Eezy Valmennuskeskus by approx. EUR 0.9 million and resulted in financial income of approx. EUR 0.5 million. Eezy Valmennuskeskus Ltd has been consolidated by 100-percent to Eezy Group (IFRS) since initial acquisition date.

Acquisitions 1–3/2023

During comparative period there were no acquisitions.

Goodwill and intangible assets

| EUR thousand | Goodwill | Trademarks | IT software | Customer relationships | Non-competition agreements | Development costs | Total intangible assets |
|---|----------------|---------------|---------------|------------------------|----------------------------|-------------------|-------------------------|
| Cost at 1 Jan 2024 | 141 654 | 3 639 | 14 251 | 28 618 | 1 613 | 1 147 | 49 269 |
| Additions | - | - | 656 | - | - | 60 | 717 |
| Cost at 31 Mar 2024 | 141 654 | 3 639 | 14 907 | 28 618 | 1 613 | 1 206 | 49 986 |
| Accumulated amortization and impairment at 1 Jan 2024 | - | -3 068 | -8 669 | -12 932 | -729 | -369 | -25 767 |
| Amortization | - | -19 | -232 | -711 | -82 | -61 | -1 105 |
| Accumulated amortization and impairment at 31 Mar 2024 | - | -3 087 | -8 901 | -13 643 | -811 | -430 | -26 872 |
| Net carrying value at 1 Jan 2024 | 141 654 | 571 | 5 582 | 15 686 | 884 | 778 | 23 500 |
| Net carrying value at 31 Mar 2024 | 141 654 | 552 | 6 006 | 14 975 | 802 | 776 | 23 112 |

| EUR thousand | Goodwill | Trademarks | IT software | Customer relationships | Non-competition agreements | Development costs | Total intangible assets |
|----------------------------|----------------|--------------|---------------|------------------------|----------------------------|-------------------|-------------------------|
| Cost at 1 Jan 2023 | 141 654 | 3 692 | 12 072 | 28 618 | 1 622 | 885 | 46 889 |
| Additions | - | - | 550 | - | - | 72 | 622 |
| Cost at 31 Mar 2023 | 141 654 | 3 692 | 12 622 | 28 618 | 1 622 | 956 | 47 510 |

| | | | | | | | |
|---|----------|---------------|---------------|----------------|-------------|-------------|----------------|
| Accumulated amortization and impairment at 1 Jan 2023 | - | -1 047 | -7 594 | -9 433 | -406 | -123 | -18 603 |
| Amortization | - | -92 | -334 | -739 | -83 | -53 | -1 300 |
| Accumulated amortization and impairment at 31 Mar 2023 | - | -1 138 | -7 928 | -10 172 | -489 | -176 | -19 903 |

| | | | | | | | |
|--|----------------|--------------|--------------|---------------|--------------|------------|---------------|
| Net carrying value at 1 Jan 2023 | 141 654 | 2 646 | 4 477 | 19 185 | 1 216 | 761 | 28 284 |
| Net carrying value at 31 Mar 2023 | 141 654 | 2 554 | 4 694 | 18 447 | 1 133 | 780 | 27 606 |

| EUR thousand | Goodwill | Trademarks | IT software | Customer relationships | Non-competition agreements | Development costs | Total intangible assets |
|----------------------------|----------------|--------------|---------------|------------------------|----------------------------|-------------------|-------------------------|
| Cost at 1 Jan 2023 | 141 654 | 3 692 | 12 072 | 28 618 | 1 622 | 885 | 46 889 |
| Additions | - | - | 2 404 | - | - | 291 | 2 695 |
| Disposals | - | -53 | -225 | - | -8 | -28 | -315 |
| Cost at 31 Dec 2023 | 141 654 | 3 639 | 14 251 | 28 618 | 1 613 | 1 147 | 49 269 |

| | | | | | | | |
|---|----------|---------------|---------------|----------------|-------------|-------------|----------------|
| Accumulated amortization and impairment at 1 Jan 2023 | - | -1 047 | -7 594 | -9 433 | -406 | -123 | -18 603 |
| Disposals | - | 53 | 210 | - | 8 | - | 272 |
| Amortization | - | -366 | -1 274 | -2 955 | -332 | -245 | -5 172 |
| Impairment | - | -1 709 | -10 | -545 | - | - | -2 264 |
| Accumulated amortization and impairment at 31 Dec 2023 | - | -3 068 | -8 669 | -12 932 | -729 | -369 | -25 767 |

| | | | | | | | |
|--|----------------|------------|--------------|---------------|------------|------------|---------------|
| Net carrying value at 1 Jan 2023 | 141 654 | 2 646 | 4 477 | 19 185 | 1 216 | 761 | 28 284 |
| Net carrying value at 31 Dec 2023 | 141 654 | 571 | 5 582 | 15 686 | 884 | 778 | 23 500 |

Property, plant and equipment

| EUR thousand | Buildings | Buildings right-of-use | Machinery and equipment | Machinery and equipment right-of-use | Other | Total |
|---|-------------|---------------------------|-------------------------------|---|------------|---------------|
| Cost at 1 Jan 2024 | 887 | 10 134 | 1 224 | 738 | 95 | 13 078 |
| Additions | - | - | - | 68 | - | 68 |
| Disposals | - | -24 | -49 | -148 | - | -221 |
| Revaluation | - | 370 | - | -1 | - | 370 |
| Cost at 31 Mar 2024 | 887 | 10 480 | 1 175 | 657 | 95 | 13 295 |
| Accumulated depreciation and impairment at 1 Jan 2024 | -585 | -3 032 | -1 066 | -415 | -14 | -5 110 |
| Disposals | - | 24 | - | 148 | - | 172 |
| Depreciation | -23 | -595 | -9 | -58 | -5 | -690 |
| Accumulated depreciation and impairment at 31 Mar 2024 | -608 | -3 603 | -1 075 | -326 | -20 | -5 628 |
| Net book value at 1 Jan 2024 | 302 | 7 102 | 159 | 323 | 81 | 7 969 |
| Net book value at 31 Mar 2024 | 279 | 6 878 | 100 | 332 | 75 | 7 668 |

| EUR thousand | Buildings | Buildings right-of-use | Machinery and equipment | Machinery and equipment right-of-use | Other | Total |
|---|-------------|---------------------------|-------------------------------|---|------------|---------------|
| Cost at 1 Jan 2023 | 884 | 8 749 | 1 498 | 928 | 102 | 12 161 |
| Additions | 22 | - | 4 | 65 | - | 90 |
| Disposals | - | - | - | -55 | - | -55 |
| Revaluation | - | 146 | - | -64 | - | 82 |
| Cost at 31 Mar 2023 | 906 | 8 895 | 1 501 | 873 | 102 | 12 278 |
| Accumulated depreciation and impairment at 1 Jan 2023 | -576 | -4 246 | -1 201 | -385 | -73 | -6 481 |
| Disposals | - | - | - | 55 | - | 55 |
| Depreciation | -29 | -577 | -20 | -70 | - | -696 |
| Accumulated depreciation and impairment at 31 Mar 2023 | -606 | -4 823 | -1 220 | -400 | -73 | -7 123 |
| Net book value at 1 Jan 2023 | 307 | 4 503 | 297 | 542 | 29 | 5 680 |
| Net book value at 31 Mar 2023 | 300 | 4 072 | 281 | 473 | 29 | 5 156 |

| EUR thousand | Buildings | Buildings right-of-use | Machinery and equipment | Machinery and equipment right-of-use | Other | Total |
|---|-------------|---------------------------|-------------------------------|---|------------|---------------|
| Cost at 1 Jan 2023 | 884 | 8 749 | 1 498 | 928 | 102 | 12 161 |
| Additions | 176 | 4 816 | 6 | 236 | 66 | 5 300 |
| Disposals | -173 | -3 564 | -279 | -234 | -73 | -4 323 |
| Revaluation | - | 132 | - | -192 | - | -60 |
| Cost at 31 Dec 2023 | 887 | 10 134 | 1 224 | 738 | 95 | 13 078 |
| Accumulated depreciation and impairment at 1 Jan 2023 | -576 | -4 246 | -1 201 | -385 | -73 | -6 481 |
| Disposals | 173 | 3 564 | 279 | 234 | 73 | 4 323 |
| Depreciation | -97 | -2 349 | -61 | -263 | -14 | -2 784 |
| Impairment | -85 | - | -82 | - | - | -167 |
| Accumulated depreciation and impairment at 31 Dec 2023 | -585 | -3 032 | -1 066 | -415 | -14 | -5 110 |
| Net book value at 1 Jan 2023 | 307 | 4 503 | 297 | 542 | 29 | 5 680 |
| Net book value at 31 Dec 2023 | 302 | 7 102 | 159 | 323 | 81 | 7 969 |

Financial assets and liabilities measured at fair value

Below is presented the fair value hierarchy of the financial instruments recognized at fair value.

| EUR thousand | 31 Mar 2024 Fair value | Level | 31 Mar 2023 Fair value | Level | 31 Dec 2023 Fair value | Level |
|---------------------------------|---------------------------|-------|---------------------------|-------|---------------------------|-------|
| Investments in shares, unlisted | 240 | 3 | 240 | 3 | 240 | 3 |
| Contingent consideration | 44 | 3 | 998 | 3 | 978 | 3 |

During the reporting period there were no transfers between hierarchy levels 1, 2 or 3.

Fair values of the financial assets and liabilities measured at amortized cost are not materially different from the carrying values.

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 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
|---|---------------|---------------|---------------|
| Liabilities in balance sheet for which collaterals given | | | |
| Borrowings, non-current | 47 330 | 47 551 | 48 568 |
| Borrowings, current | 5 558 | 4 448 | 2 106 |
| Total | 52 888 | 51 999 | 50 675 |

The group's loans include covenants defined in the financial agreements, which were updated in March 2024. The loan covenants are net debt ratio, ratio of interest-bearing net debt compared to adjusted EBITDA and the new loan covenant minimum cash balance.

| EUR thousand | 31 Mar 2024 | 31 Mar 2023 | 31 Dec 2023 |
|--------------------------------|----------------|----------------|----------------|
| Mortgages on own behalf | | | |
| Company mortgages | 100 000 | 100 000 | 100 000 |
| Total | 100 000 | 100 000 | 100 000 |

Related party transactions

Transactions and balances with related parties:

| EUR thousand | 1 Jan – 31 Mar 2024 | 1 Jan – 31 Mar 2023 | 1 Jan – 31 Dec 2023 |
|---|---------------------|---------------------|---------------------|
| Companies that have significant influence | | | |
| Sales | 2 963 | 3 272 | 16 364 |
| Purchases | -49 | -53 | -392 |
| Trade receivables and other receivables | 4 375 | 3 827 | 4 438 |
| Trade payables and other liabilities | 4 | 11 | 6 |
| Associated companies | | | |
| Loan receivables | - | 33 | - |

Related party transactions are made on the same terms and conditions as transactions with independent parties.

Events after the review period

Joni Aaltonen has been appointed as Eezy Plc's Chief Financial Officer and a member of the Group management team effective from 1 April 2024.

The Annual General Meeting (AGM) was held on 9 April 2024.

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.

Alternative performance measures should not be viewed in isolation and they are not substitutes to the key figures presented in the audited financial statements. 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 Mar 2024 | 1 Jan – 31 Mar 2023 | Change % | 1 Jan – 31 Dec 2023 |
|--|------------------------|------------------------|----------|------------------------|
| Key figures for income statement | | | | |
| Revenue | 41 450 | 52 776 | -21% | 218 974 |
| EBITDA | 2 287 | 3 439 | -33% | 14 519 |
| EBITDA margin, % | 5.5% | 6.5% | - | 6.6% |
| EBIT | 492 | 1 343 | -63% | 4 031 |
| EBIT margin, % | 1.2% | 2.5% | - | 1.8% |
| Earnings per share, basic, EUR | 0.01 | 0.02 | - | 0.03 |
| Earnings per share, diluted, EUR | 0.01 | 0.02 | - | 0.03 |
| Weighted average number of outstanding shares, pcs | 25 046 815 | 25 046 815 | - | 25 046 815 |
| Weighted average number of outstanding shares, diluted, pcs | 25 201 826 | 25 279 104 | - | 25 277 374 |
| Number of outstanding shares at the end of reporting period, pcs | 25 046 815 | 25 046 815 | - | 25 046 815 |
| Key figures for balance sheet | | | | |
| Net debt | 60 221 | 56 772 | - | 58 001 |
| Net debt excluding IFRS16 | 52 796 | 52 116 | - | 50 383 |
| Net debt / EBITDA | 4.5 x | 3.0 x | - | 4.0 x |
| Gearing, % | 54.8% | 50.1% | - | 52.8% |
| Equity ratio, % | 54.2% | 53.9% | - | 53.2% |
| Equity per share, EUR | 4.39 | 4.53 | - | 4.39 |
| Key figures for cash flow | | | | |
| Operative free cash flow | -2 159 | -2 713 | - | 5 898 |
| Purchase of tangible and intangible assets | -721 | -650 | - | -2 899 |
| Acquisition of subsidiaries, net of cash acquired | -476 | - | - | - |
| Operative key figures | | | | |
| Chain-wide revenue, EUR million | 60.0 | 73.8 | -19% | 307.6 |
| Franchise fees, EUR million | 1.1 | 1.3 | -12% | 5.2 |
| Light entrepreneurship invoicing volume, EUR million | 8.0 | 9.4 | -15% | 38.9 |

Reconciliation of Certain Alternative Performance Measures

| EUR thousand | 1 Jan – 31 Mar 2024 | 1 Jan – 31 Mar 2023 | 1 Jan – 31 Dec 2023 |
|---|---------------------|---------------------|---------------------|
| EBITDA | | | |
| EBIT | 492 | 1 343 | 4 031 |
| Acquisition related amortization ¹⁾ and impairment losses | 808 | 910 | 5 891 |
| Other depreciation, amortization and impairment losses | 987 | 1 186 | 4 597 |
| Total depreciation, amortization and impairment losses | 1 795 | 2 096 | 10 488 |
| EBITDA | 2 287 | 3 439 | 14 519 |
| Operative free cash flow | | | |
| Cash flows from operating activities before financial items and taxes | -808 | -1 414 | 11 399 |
| Purchase of tangible and intangible assets | -721 | -650 | -2 899 |
| Payment of lease liabilities | -629 | -650 | -2 603 |
| Operative free cash flow | -2 159 | -2 713 | 5 898 |

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 x100 |
| Operating profit (EBIT) | = | Operating profit |
| Operating profit margin, % | = | Operating profit / Revenue x100 |
| 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 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 debt / EBITDA |
| Gearing | = | Net debt / Equity x100 |
| Equity ratio | = | Equity / (Total equity and liabilities - Advances received) x100 |
| Equity per share | = | Equity / Number of outstanding shares at the end of reporting period |

Key figures for cash flow

| | | |
|---|---|---|
| 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 - Payment of lease liabilities |
| 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) + Light entrepreneurship 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 |