Eezy Plc

Report of the Board of Directors and Financial Statements
1 January – 31 December 2022

Contents

Eezy has voluntarily published its financial statements in a PDF-format. Eezy has published the Report of the Board of Directors and the consolidated financial statements as an XHTML document in accordance with the European Single Electronic Format (ESEF) reporting requirements. The ESEF version is the official version of the report. This report is a translation of the Finnish original.

These financial statements must be stored for at least ten years from the end of the financial year, or until 31 December 2032.

The vouchers for the financial year must be stored for at least six years after the end of the year during which the financial year ended, or until 31 December 2028.

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. 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 3.4 billion in 2022, of which the staffing services were EUR 2.7 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 over EUR 300 million.

According to The Private Employment Agencies Association (HPL), the revenue of the largest companies in the staffing service market increased approx. 7% in December 2022 and approx. 14% in January–December compared to last year. According to HPL, the economic outlook in staffing services has weakened.

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

Corona virus has strongly affected our business for the last three years. The restrictions related to Corona have ended during the year, but they impacted the early part of the year negatively.

General economic conditions have weakened clearly during the second year-half, which affected some of our businesses. Growth has slowed in most of our business areas, and the revenue has even decreased in some businesses.

Workforce availability is still an important factor for our customers, but the role of staffing services as a provider of flexible workforce has grown again.

Horeca sector developed mainly positively, and the delivery volumes in the sector grew clearly in the early part of the year. We expected even higher growth but missed our growth targets due to workforce shortages.

The negative effects of the general economy have been most visible in our industry and construction sector, where volumes grew in spring, but turned into decline toward the end of the year. The revenue of our franchise chain decreased clearly during the quarter. However, the volume development varies a lot by customer.

The sick-leaves have continued on a higher level than in the earlier years, but the difference to the previous year has during the second year-half not been quite as large as in the first year-half. We estimate that in the near future sick leave costs will remain on a higher level than in the earlier years, and we aim to accommodate into that in our pricing.

Revenue

Eezy's revenue amounted to EUR 247.6 million (203.3), increasing by 22% compared to the corresponding period in the previous year.

Revenue increased by 19% in the staffing service area. In the professional services area revenue increased by 66% due both organic growth and the Valmennuskeskus acquisition in 2021 and Leidenschaft/Siqni acquisition in April 2022. In the light entrepreneurship service area revenue increased by 2%.

Eezy's chain-wide revenue amounted to EUR 351.6 million (305.5) increasing by 15%. Franchise fees totaled EUR 6.3 million (7.1). The invoicing volume of light entrepreneurship services was EUR 42.3 million (41.4).

Revenue by service area

EUR million	1–12/2022	1–12/2021	Change %
Staffing services	212.7	178.1	19%
Franchise fees	6.3	7.1	-11%
Professional services	26.1	15.7	66%
Light entrepreneurship services	2.5	2.5	2%
Total	**247.6**	**203.3**	**22%**

Result

EBITDA was EUR 18.2 million (19.5). Operating profit was EUR 10.0 million (11.8). The sick leaves' profit impact has been EUR -6.0 million (-3.3). Non-recurring costs related to acquisitions, change negotiations and the CEO change were approx. EUR 1.0 million. A non-recurring income of EUR 1.7 million and a corona subsidy from State treasury totaling EUR 1.0 million were included in the result in comparative period last year.

Total depreciation, amortization and impairment was EUR 8.2 million (7.7), of which EUR 4.1 million (4.0) was acquisition related amortization. The result before taxes was EUR 9.1 million (10.3) and the result for the period was EUR 7.5 million (8.1). Earnings per share was EUR 0.29 (0.31).

Financial position and cash flow

Eezy's consolidated balance sheet on 31 December 2022 amounted to EUR 216.7 million (206.8), of which equity made up EUR 113.1 million (109.1).

In March, a new bank loan of EUR 8.0 million was drawn to finance the acquisitions in April 2022. As of 31 December 2022, the Group has liabilities to credit institutions amounting to EUR 52.1 million (48.3). of which EUR 47.6 (43.9) was non-current.

Cash balance on 31 December 2022 was EUR 5.8 million (6.1). The Group has overdraft facilities in total of EUR 10.0 million, all of which were unused on 31 December 2022.

Equity ratio stood at 52.2% (52.8%). The Group's net debt including IFRS16 leasing items on 31 December 2022 amounted to EUR 52.5 million (48.7). Net debt excluding IFRS16 leasing items was EUR 47.3 million (44.2). The net debt/EBITDA ratio was 2.9 x (2.4 x).

Operative free cash flow amounted to EUR 13.9 million (6.2).

Investments and acquisitions

Eezy's investments in subsidiary shares presented in the cash flow statement amounted to EUR 6.1 million (4.6). Investments include acquisitions of Farenta Oy, The Siqnificant Company Oy and Leidenschaft Oy as well as increasing the ownership in Eezy Valmennuskeskus Ltd.

In line with its strategy, Eezy strengthened its professional staffing services by purchasing the share capital of Farenta Ltd from Oriola Plc on 1 April 2022. Farenta supports around 350 pharmacies yearly with over 300 employees and it is the largest pharmacy staffing service operator in Finland.

In line with its strategy, Eezy strengthened its research and coaching services by acquiring research and business culture companies The Siqnificant Company Ltd and Leidenschaft Ltd on 1 April 2022. The companies will become part of Eezy Flow Ltd, which offers management, strategy, research and change management services. Leidenschaft is Finland's first business culture agency, whose mission is to develop business culture into real competitive advantage. The Siqnificant Company's product, Siqni, is the world's first tool for gaining employee understanding and measuring employee experience.

Additionally, Eezy made an investment of EUR 0.2 million in minority shareholding of VeggArt's Oy that offers services for immigrants.

Investments in tangible and intangible assets totaled EUR 3.0 million (1.7). 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. Eezy employed on average of 527 (374) people in Group functions and on average 3 837 (3 320) 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

Eezy announced in February 2022 that Content Director Isa Merikallio will leave the management team.

In August, Eezy announced that HR Director Hanna Lehto will start maternity leave. Director Mikko Innanen will act as her substitute and as a member of the management team. Innanen will also continue in his role as the development director.

Marleena Bask started in October as the Chief Marketing and Communications officer as well as a member of the Group management.

Eezy announced on 19 December 2022 that CEO will change and Sami Asikainen will leave the company. The recruitment process of a new CEO has been started and the deputy CEO Pasi Papunen will act as the interim CEO.

On 31 December 2022 the management team members are:
- Pasi Papunen, interim CEO
- Hannu Nyman, CFO
- Thomas Hynninen, Staffing services
- Päivi Salo, CDO
- Marleena Back, CMO
- Mikko Innanen, Development, HR
- (Hanna Lehto, HR, maternity leave)

Shares and shareholders

On 31 December 2022, Eezy Plc had 25 046 815 (25 046 815) registered shares. The company holds no treasury shares. The company had 2 787 (2 627) shareholders, including nominee registered shareholders.

In January–December 2022, a total of 2 656 037 (4 046 053) shares were traded and the total trading volume was EUR 12.5 million (23.7). During the period, the highest quotation was EUR 6.38 (7.20) and the lowest EUR 3.01 (4.90). The volume-weighted average price of the share was EUR 4.71 (5.85). The closing price of the share at the end of December was EUR 3.12 (5.98) and the market value stood at EUR 78.1 million (149.8).

On 31 December 2022, the members of the Board of Directors and the members of the management team owned a total of 394 470 (1 237 129) Eezy shares, corresponding to approximately 1.6% (4.9%) 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 2022:

Shareholder	Shares	%
1. Sentica Buyout V Ky	6 105 458	24.38
2. NoHo Partners Oyj	5 139 745	20.52
3. Meissa-Capital Oy	3 223 071	12.87
4. Evli Finnish Small Cap Fund	1 341 126	5.35
5. OP Finland Micro Cap Fund	844 668	3.37
6. Asikainen Sami	414 350	1.65
7. Säästöpankki Small Cap Fund	322 200	1.29
8. WestStar Oy	293 398	1.17
9. Church Pension Fund	282 155	1.13
10. Ilmarinen Mutual Pension	274 261	1.09
10 largest in total	**18 240 432**	**72.83**
Nominee-registered	1 954 767	7.80
Others	4 851 616	19.37
Total	**25 046 815**	**100.00**

The company has received flagging notices during the period: The ownership of Evli Bank Plc has exceeded 5% and the ownership of Handelsbanken Fonder has decreased below 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 12 April 2022. The AGM adopted the Financial Statements for the year 2021.

The AGM decided that for year 2021 a dividend of EUR 0.15 per share is distributed in two tranches. The first tranche of the dividend, EUR 0.10 per share and EUR 2.5 million in total, was paid in April 2022. The second tranche of the dividend, EUR 0.05 per share and EUR 1.3 million in total, was paid in October 2022.

The AGM elected eight members to the board of directors. Tapio Pajuharju, Kati Hagros, Liisa Harjula, Timo Mänty, Paul-Petteri Savolainen, Jarno Suominen and Mika Uotila were re-elected as members of the board of directors. Mikko Wirén was elected as a new member 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. The Board decided to establish a Human Resources Committee which assists the Board by preparing matters pertaining to the remuneration and nomination of the Company's CEO and other management, as well as the Company's remuneration principles. Tapio Pajuharju was elected as Chairman of the Human Resources Committee and Mika Uotila and Mikko Wirén as members of the Human Resources Committee.

Valid authorizations

The authorizations given by the AGM on 12 April 2022 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 2023, 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 2023, however, for a maximum of 18 months. The authorization is unused.

Long-term incentive plan

In March, Eezy Plc's board of directors resolved to extend the third earning period of the long-term incentive plan for the company's key employees, which has been announced in November 2021. The third earning period shall be 16 months, starting on 1 December 2021 and ending on 31 March 2023. According to the previous decision a maximum of 246 000 reward shares could be awarded for the third earning period. The reward criteria for the third earning period are based on Eezy Plc's revenue and operating profit margin. It is currently estimated that no shares will be earned for the 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.

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 2023

Eezy expects revenue to be approx. EUR 250 million and EBIT-% to grow in 2023.

Dividend proposal

The parent company's distributable funds in the financial statement on 31 December 2022 was EUR 125.7 million, of which profit for the financial period was EUR 4.3 million. Board of Directors proposes a dividend of EUR 0.15 per share, of which EUR 0.10 will be paid in April and 0.05 in October.

Helsinki, 15 February 2023

Eezy Plc

Board of Directors

Statement of non-financial information

Eezy’s business

Eezy Group consist of the parent company Eezy Plc and its subsidiaries. Eezy’s business operations are divided into two business areas: The Staffing Services business unit and the Professional Services business unit.

The Staffing Services business unit provides staffing services to customers and employees. In staff leasing, Eezy serves corporate customers, with the employee being in an employment relationship with Eezy and working for the customer company for a specified period of time. Eezy offers staffing services through its own units as well as through franchisees.

The Professional Services business unit provides HR research, training and development services, management consulting and coaching as well as recruitment services (executive search, suitability assessments and relocation). The unit also includes tutoring services for upper secondary school students and university students as well as employment services ranging from 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.

With its extensive range of services, Eezy responds to the changing needs of working life in Finland. Eezy’s diverse and nationwide service network enables the company to serve as a comprehensive partner to customers and individuals. Eezy is a significant employer – we paid wages to approximately 32,000 people in 2022.

Responsible employer

Eezy’s mission is to help employers and employees succeed in the ever-changing work life. Eezy’s business, growth and success are based on highly competent personnel, taking both the Group’s direct personnel and staffed employees into consideration.

In all of its operations, Eezy observes collective agreements and applicable legislation. Eezy cooperates with trade unions, the public sector and educational institutions. We pay our taxes in Finland.

The central themes of Eezy’s HR policy are well-being at work, occupational safety, equality and non-discrimination. Eezy coaches its employees to enable professional development. In 2022, we trained 28 people through JYEAT training programme and 15 people through the LIAT training programme. In addition, we trained our personnel in topical issues with the help of e.g. legal department and HR.

The well-being at work of Eezy employees is measured by regular job satisfaction surveys and by monitoring sickness absence rates. In February 2022, we studied the strengths, development areas and work culture of our organisation with the PeoplePower® personnel survey. The response rate was excellent, 92.7%. The level of dedication of Eezy’s personnel is clearly higher than that of the average Finnish employee-intensive organisation. All individual survey indices exceeded both the external standard and the 2020 result level. The commitment index was the strongest compared to the external standard. Faith in recent development and a bright future, as well as the strong communication strongly associated with these, were the Group’s clearest strengths. In addition, the concrete prerequisites for smooth work (tools, premises, investments in well-being) were among the strengths. On the other hand, stress, high turnover and clarity of goals and operations were our development areas in terms of overall results.

Sickness absence rates increased compared to 2021. Part of the increase in sickness absence rates was attributable to COVID-19, but the majority are related to the general increased caution when it comes to sickness – people no longer go to work with a runny nose. Monitoring sickness absence rates and preventive occupational health are critical to our business, so we will invest increasingly in this in 2023.

We take care of the occupational safety of both our in-house employees and staffed employees in cooperation with our customers. Eezy has an active occupational health and safety committee that is responsible for the occupational safety of Eezy’s in-house employees and works together with customer companies to develop the occupational safety of staffed employees. Occupational accident monitoring is carried out together with the occupational health care provider on the basis of accident statistics. The majority of accidents at work in 2022 were minor accidents. The development of occupational safety is one of our key projects in 2023. For example, we will develop our operating model together with the occupational health care provider and the employment pension insurance company and strengthen the employee orientation model together with our customers.

In its operations, Eezy follows its equality and non-discrimination plan, in which the main focus is on ensuring equality in recruitment, career development and remuneration, reconciling work and family life and preventing direct and indirect discrimination.

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.

For Eezy, data protection is an extremely important part of good governance and our responsibility work. 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. Data protection training is part of our orientation programme and we regularly train our employees on data protection practices. There were 6 security breaches in 2022. None of these posed a high risk to the rights of the data subject and all cases were promptly rectified in accordance with our process.

Eezy uses a Whistleblowing channel to facilitate the external and internal reporting of suspected misconduct in accordance with the EU's Whistleblower Directive.

Reformer of working life

Eezy has an extensive service offering related to reforming the Finnish working life. The relationship with work and work patterns is changing, labour shortages are affecting many sectors and digitalisation is changing the needs and roles of working life. It is critical for our society that we are able to respond to these changes and challenges.

Eezy plays an important role in extending working careers and preventing social exclusion. Eezy works closely together with Employment and Economic Development Offices and various employment promotion projects. Eezy provides advice and training to the hard-to-employee on questions concerning working life, offers integration services for immigrants and is a significant employer of young people. In 2002, we trained 8,000 jobseekers through Eezy Employment Services, of which about 3,000 were employed.

Eezy Pikaduuni promotes the employment of young people by offering 15–19-year-olds the opportunity for summer work. This helps prevent the social exclusion of young people, provide all young people with an equal opportunity to find a summer job and provide young people with a low threshold for the first step into working life. In summer 2022, Eezy employed nearly 800 young people in twelve municipalities through Pikaduuni. The proceeds of the campaign, EUR 10,000, were donated to SOS Children's Villages' "Unelmista totta" ("Dreams come true") project. It enables recreation for those children whose families are in very difficult financial situations.

Employing people with an immigrant background is very important to Eezy, but also to our society as a whole. The labour shortage is huge in many sectors, and employment helps reduce prejudice and improve cohesion between immigrants and the native population. In 2022, we employed a total of about 3,000 immigrants already residing in Finland. Eezy Shine, Finland's first staff leasing company specialising in employing immigrants, opened a service point in October 2022 at Itäkeskus in Helsinki. Eezy Shine serves job seekers in up to 32 languages. Eezy franchise entrepreneur Sirpa Kilpeläinen and her team have employed more than 200 Ukrainians in the Päijät-Häme region through their relentless work. In November, she received an honorary mention at the Recruitment Gala event for her work to employ Ukrainians.

In 2022, we recruited approximately 600 people from abroad to Finland for the needs of our customers. The process of recruiting foreign personnel has been audited by a third party. It excludes the possibility of human trafficking and verifies compliance with labour law. Eezy's ERP system is tied to the validity of work permits and certificates required to perform the work, and the payment of wages requires a personal account number to prevent misuse. With regard to imported labour, we commit our customers to a 12-month work period in order to ensure that the employee is well settled in Finland. Eezy provides support throughout the employment relationship for both the customer and the employee.

Eezy Flow and Leidenschaft and Siqni, which joined Eezy in 2022, study, design and coach companies for better leadership, corporate culture, strategies and change capabilities. Individuals and companies that feel good create successes in working life, and a humanly sustainable working life is a huge resource for the well-being of our society as a whole. In 2022, we studied the job satisfaction of more than 100,000 Finnish employees with the PeoplePower® personnel survey. The survey was conducted in 26 different languages. We mentored about 20,000 people in areas such as change management and better managerial work.

Our climate and environmental footprint

Eezy has an environmental policy established in 2021, which aims to develop and enhance environmentally friendly operations in the company. As part of the environmental programme, the office premises have extensive recycling facilities, staff are encouraged to use public transport and, if possible, to have remote meetings. In addition to Eezy's own employees, environmental and climate impacts arise from leased employees' commuting. The priorities for 2023 include updating the environmental policy.

The company has estimated that climate change will not have significant direct impacts, as the company's business operations do not involve significant raw material or energy purchases. Climate change mainly has indirect effects through the climate sensitivities of different customer industries. The company's broad customer base reduces dependence on individual customers.

Information in accordance with the EU Taxonomy Regulation

The European Union's Taxonomy Regulation establishes the basis for the EU Taxonomy and is part of the EU's sustainable finance package. Companies are required to disclose information on the share of their turnover, capital expenditure and operational expenditure associated with Taxonomy-eligible operations. Eezy's interpretation is that none of its business operations belong to the sectors covered by the Taxonomy. In other words, 0% of Eezy's revenue, capital expenditure and operational expenditure have been Taxonomy-eligible, both in 2022 and 2021. Therefore, the company has had no Taxonomy-aligned operations in 2022 and 2021.

Helsinki, 15 February 2023

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	2022	2021	2020	2019	2018
Key figures for income statement					
Revenue	247 596	203 328	190 637	169 784	81 698
EBITDA	18 231	19 492	13 495	12 586	10 070
EBITDA margin, %	7.4%	9.6%	7.1%	7.4%	12.3%
EBIT	10 004	11 812	5 565	8 022	8 154
EBIT margin, %	4.0%	5.8%	2.9%	4.7%	10.0%
Earnings per share, basic, EUR	0.29	0.31	0.11	0.25	0.38
Earnings per share, diluted, EUR	0.28	0.30	0.11	0.25	-
Weighted average number of outstanding shares, pcs	25 046 815	24 883 655	24 849 375	18 296 109	10 559 819
Weighted average number of outstanding shares, diluted, pcs	25 287 264	25 081 134	24 997 332	18 301 372	-
Number of outstanding shares at the end of reporting period, pcs	25 046 815	25 046 815	24 849 375	24 849 375	14 799 198
Key figures for balance sheet					
Net debt	52 466	48 702	42 424	56 513	14 023
Net debt excluding IFRS16	47 307	44 200	36 440	51 887	11 373
Net debt/EBITDA	2.9 x[1]	2.4 x[1]	2.9 x[1]	2.7 x[1]	1.3 x
Gearing, %	46.4%	44.6%	40.9%	55.5%	27.6%
Equity ratio, %	52.2%	52.8%	50.6%	48.6%	52.8%
Equity per share, EUR	4.51	4.36	4.17	4.10	3.43
Key figures for cash flow					
Operative free cash flow	13 908	6 244	19 269	11 545	8 970
Purchase of tangible and intangible assets	-2 998	-1 688	-2 096	-1 691	-667
Acquisition of subsidiaries, net of cash acquired	-6 125	-4 609	-2 082	-11 417	-7 937
Operative key figures					
Chain-wide revenue, EUR million	351.6	305.5	282.6	285.6	207.4
Franchise-fees, EUR million	6.3	7.1	6.1	7.8	8.9
Light entrepreneurship invoicing volume, EUR million	42.3	41.4	41.9	49.9	46.1

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

Reconciliation of Certain Alternative Performance Measures

EUR thousand	2022	2021	2020	2019	2018
EBITDA					
EBIT	10 004	11 812	5 565	8 022	8 154
Acquisiton related amortization[1)]	4 061	4 045	3 914	1 645	16
Other depreciation, amortization and impairment losses	4 165	3 636	4 016	2 919	1 900
Total depreciation, amortization and impairment losses	8 226	7 680	7 929	4 564	1 916
EBITDA	**18 231**	**19 492**	**13 495**	**12 586**	**10 070**
Operative free cash flow					
Cash flows from operating activities before financial items and taxes	19 494	9 982	23 363	14 752	10 510
Purchase of tangible and intangible assets	-2 998	-1 688	-2 096	-1 691	-667
Payment of lease liabilities	-2 588	-2 050	-1 998	-1 516	-873
Operative free cash flow	**13 908**	**6 244**	**19 269**	**11 545**	**8 970**

[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

Consolidated financial statements

1 January – 31 December 2022

Consolidated statement of comprehensive income (IFRS)

EUR thousand	Note	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Revenue	3	**247 596**	**203 328**
Other operating income	4	347	3 070
Share of result of equity accounted investments		7	-
Materials and services	5	-9 379	-6 059
Personnel expenses	6, 7	-202 825	-165 576
Other operating expenses	9, 10	-17 515	-15 270
Depreciation, amortization and impairment losses	8	-8 226	-7 680
Operating profit		**10 004**	**11 812**
Financial income	11	763	149
Financial expense	11	-1 642	-1 614
Financial income and expenses	11	**-879**	**-1 465**
Profit before taxes		**9 125**	**10 348**
Income taxes	12	-1 654	-2 266
Profit for the financial year		**7 472**	**8 081**
Profit attributable to			
Owners of the parent company		7 156	7 601
Non-controlling interests		316	480
Profit for the financial year		**7 472**	**8 081**
Earnings per share, basic (EUR)	23	0.29	0.31
Earnings per share, diluted (EUR)	23	0.28	0.30
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Changes in the fair value of share investments	18	-	3
Items that may be reclassified to profit or loss			
Exchange differences on translating foreign operations		-	50
Other comprehensive income for the financial year, net of tax		**-**	**52**
Total comprehensive income for the financial year		**7 472**	**8 134**
Total comprehensive income attributable to			
Owners of the parent company		7 156	7 653
Non-controlling interests		316	480
Total comprehensive income for the financial year		**7 472**	**8 134**

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

Consolidated balance sheet (IFRS)

EUR thousand	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
Goodwill	15	141 654	134 054
Intangible assets	15	28 284	28 314
Property, plant and equipment	16	5 680	5 095
Equity accounted investments	29	252	-
Investments in shares	18	240	240
Receivables	20, 26	772	1 152
Deferred tax asset	19	363	201
Total non-current assets		**177 245**	**169 056**
Current assets			
Trade receivables and other receivables	20, 26	33 463	31 649
Current income tax receivables		213	14
Cash and cash equivalents	21	5 768	6 106
Total current assets		**39 444**	**37 769**
TOTAL ASSETS		**216 690**	**206 825**
EQUITY AND LIABILITIES			
Equity attributable to the owners of the parent company			
Share capital	22	80	80
Reserve for invested unrestricted equity	22	107 876	107 876
Retained earnings	22	1 488	-1 857
Total equity attributable to the owners of the parent company		**109 444**	**106 099**
Non-controlling interests		3 630	3 037
Total equity		**113 074**	**109 136**
Non-current liabilities			
Loans from financial institutions	24, 26	47 614	43 924
Lease liabilities	24, 26	2 948	2 527
Other liabilities	25, 26	974	1 944
Deferred tax liability	19	4 875	5 190
Total non-current liabilities		**56 411**	**53 586**
Current liabilities			
Loans from financial institutions	24, 26	4 448	4 400
Lease liabilities	24, 26	2 211	1 975
Trade payables and other liabilities	25, 26	38 954	35 499
Current income tax liabilities		1 591	2 228
Total current liabilities		**47 204**	**44 102**
Total liabilities		**103 615**	**97 688**
TOTAL EQUITY AND LIABILITIES		**216 690**	**206 825**

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

Consolidated cash flow statement (IFRS)

EUR thousand	Note	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Cash flows from operating activities			
Customer payments received		248 736	196 950
Cash paid to suppliers and employees		-229 242	-186 967
Cash flows from operating activities before financial items and taxes		**19 494**	**9 982**
Interest paid		-1 518	-1 497
Interest received		80	64
Other financial items		79	67
Income taxes paid		-3 507	-2 497
Proceeds from repayments of loans		31	43
Net cash flows from operating activities		**14 657**	**6 163**
Cash flows from investing activities			
Purchase of tangible and intangible assets	15, 16	-2 998	-1 688
Proceeds from sale of tangible assets	16	104	231
Acquisition of subsidiaries, net of cash acquired	14	-6 125	-4 609
Disposal of subsidiaries	14	-	500
Purchase of equity accounted investments	29	-245	-
Proceeds from sale of investments		-	311
Proceeds from repayments of loans		6	190
Net cash flows from investing activities		**-9 257**	**-5 065**
Cash flows from financing activities			
Change in non-controlling interests		-80	-41
Proceeds from non-current borrowings	24	8 000	-
Repayment of non-current borrowings	24	-92	-
Repayment of current borrowings	24	-6 941	-4 328
Payment of lease liabilities	24	-2 588	-2 050
Dividends paid	22	-4 036	-4 021
Net cash flows from financing activities		**-5 737**	**-10 439**
Net change in cash and cash equivalents		**-338**	**-9 341**
Cash and cash equivalents at the beginning of the financial year		6 106	15 447
Cash and cash equivalents at the end of the financial year		**5 768**	**6 106**

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 owners of the parent							
Equity 1 Jan 2022		**80**	**107 876**	**-**	**-**	**-1 857**	**106 099**	**3 037**	**109 136**
Profit for the financial year		-	-	-	-	7 156	7 156	316	7 472
Other comprehensive income:									
Change in fair value		-	-	-	-	-	-	-	-
Translation differences		-	-	-	-	-	-	-	-
Other comprehensive income for the financial year, net of tax		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total comprehensive income		**-**	**-**	**-**	**-**	**7 156**	**7 156**	**316**	**7 472**
Transactions with owners									
Dividend distribution	22	-	-	-	-	-3 757	-3 757	-279	-4 036
Changes in non-controlling interests	28	-	-	-	-	-38	-38	557	518
Share based payments	7	-	-	-	-	-16	-16	-	-16
Total equity 31 Dec 2022		**80**	**107 876**	**-**	**-**	**1 488**	**109 444**	**3 630**	**113 074**

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 owners of the parent							
Equity 1 Jan 2021		**80**	**106 572**	**-3**	**-50**	**-5 714**	**100 885**	**2 859**	**103 744**
Profit for the financial year		-	-	-	-	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 financial year, net of tax		**-**	**-**	**3**	**50**	**-**	**52**	**-**	**52**
Total comprehensive income		**-**	**-**	**3**	**50**	**7 601**	**7 653**	**480**	**8 134**
Transactions with owners									
Dividend distribution	22	-	-	-	-	-3 737	-3 737	-284	-4 021
Share issue	22	-	1 305	-	-	-	1 305	-	1 305
Changes in non-controlling interests	28	-	-	-	-	-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**

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

Notes to the Consolidated Financial Statements

1. General information and basis of presentation

Basic information about the Group

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

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 15 February 2023. 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.

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 2022. 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 the Group operates only 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.

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:

- Revenue (note 3)
- Income taxes (note 12)
- Business combinations (note 14)
- Intangible assets (note 15)
- Leases (note 17)
- Deferred tax assets and liabilities (note 19)
- Financial risk management (note 26)

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.

The impact of climate change on estimates and the Group's business operations

Group has assessed that climate change has no significant direct effects, as the Group's business does not involve significant raw material or energy purchases. Climate change causes mainly indirect effects through the climate sensitivities of different customer industries. The Group's wide customer base reduces dependence on individual customers.

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. The business growth and EBITDA used in goodwill impairment testing are based on management's assessment of the future development considering the general poor economic development and high inflation in Finland due to e.g indirect effects of Russia's offensive war in Ukraine. In economic development has been taken into account the effect of possible sick leaves and the availability of labor in competition in the personnel service and recruitment market. More information on intangible assets is provided in note 15.

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.

Credit risk arises specially from trade 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.

More information on financial risk management is provided in note 26.

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 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, guiding and rehabilitation services for the 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 by service area:

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Staffing services	212 699	178 054
Franchise fees	6 292	7 058
Professional services	26 069	15 723
Light entrepreneurship services	2 536	2 493
Total revenue	**247 596**	**203 328**

Bad debt provisions related to trade receivables and contractual assets are presented in note 26.

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 613 thousand as at 31 December 2022 (EUR 1 041 thousand as at 31 December 2021). 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 26.

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 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, guiding and rehabilitation services for the public sector as well as 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 do not 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 2022	1 Jan – 31 Dec 2021
Grants received	152	1 079
Gain on disposal of tangible assets	21	22
Change in VAT handling	-	1 688
Gain on disposal of investments in group companies	-	109
Other operating income	173	171
Total	**347**	**3 070**

Other operating income include a change in light entrepreneurship service fee's VAT handling of EUR 1 688 thousand in 2021. Grants received include a corona subsidy from State treasury totaling EUR 0 thousand in 2022 (EUR 1000 thousand in 2021).

5. Materials and services

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Recruitment costs, purchases and subcontracting	-1 987	-1 649
Rent on premises	-821	-125
Other external services	-6 571	-4 285
Total	**-9 379**	**-6 059**

Other external services consist primarily of subcontracting 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 2022	1 Jan – 31 Dec 2021
Wages and salaries	-166 961	-137 558
Pension expenses	-29 578	-23 515
Share-based payments (note 7)	32	-17
Other social security expenses	-6 318	-4 487
Total	**-202 825**	**-165 576**

Key management remuneration is presented in note 13.

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:

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Salaried employees	527	374
Workers	3 837	3 320
Total	**4 364**	**3 694**

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. On 28 March the board of director decided to extend the third earning period of the incentive plan.

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 16 months earning period started on 1 December 2021 and ends on 31 March 2023. 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 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. It is currently estimated that no shares will be earned for the period.

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 2022	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	0
Number of shares not exercised	179 091
Number of shares granted as at 31 Dec 2022	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 March 2023
Number of shares granted (maximum)	246 000
Number of shares forfeited	60 000
Number of shares granted as at 31 Dec 2022	186 000
Share price at the beginning of service	5.92
Performance conditions	Service condition Revenue and operating profit %
Estimated time of payment	No payment
Payment method	Combination of shares and cash
Number of participants in the beginning of the earning period	18

The amount of profits recognized in the accounting period is EUR 32 (expenses 17) thousand, of which EUR -16 (16) thousand is from the share portion and recognized within the equity. The amount of the liability recognized in the balance sheet is EUR 0 (16) thousand as at 31 December 2022.

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 2022	1 Jan – 31 Dec 2021
Acquisition related amortization		
Trademarks	-338	-249
Customer relationships	-2 926	-2 727
Non-competition agreements	-797	-1 068
Total	**-4 061**	**-4 045**
Other intangible assets		
Trademarks	-15	-24
IT software	-1 307	-1 167
Development costs	-109	-14
Total	**-1 432**	**-1 204**
Total amortization, intangible assets	**-5 493**	**-5 249**
Property, plant and equipment		
Buildings	-161	-147
Buildings, right-of-use	-2 169	-1 974
Machinery and equipment	-102	-138
Machinery and equipment, right-of-use	-301	-173
Total	**-2 733**	**-2 431**
Total other depreciation, amortization and impairment losses[1]	**-4 165**	**-3 636**
Total depreciation, amortization and impairment losses	**-8 226**	**-7 680**

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

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

9. Other operating expenses

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
IT machinery and software expenses	-3 546	-2 734
Administrative expenses	-3 256	-3 492
Marketing expenses	-3 164	-2 990
Personnel related expenses	-2 968	-2 323
Travelling expenses	-2 108	-1 704
Facility maintenance expenses	-614	-438
Transaction expenses related to acquisitions	-273	-415
Credit losses	217	80
Other expenses[1]	-1 803	-1 254
Total	**-17 515**	**-15 270**

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

10. Auditors' fees

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Statutory audit	191	235
Other advisory services	6	7
Tax advisory services	9	14
Other services	138	58
Total	**344**	**313**

Auditors' 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 2022	1 Jan – 31 Dec 2021
Financial income		
Revaluation of debt	584	-
Interest income from receivables	80	68
Other financial income	99	81
Total	**763**	**149**
Financial expenses		
Interest expenses from borrowings	-1 463	-1 265
Interest expenses from lease liabilities	-136	-131
Other interest expenses	-11	-94
Other financial expenses	-31	-123
Total	**-1 642**	**-1 614**
Total financial income and expenses	**-879**	**-1 465**

12. Income taxes

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Current income tax expense	-2 607	-2 803
Adjustments to taxes for prior periods	62	1
Total current income tax expenses	**-2 545**	**-2 802**
Change in deferred tax assets	162	-172
Change in deferred tax liabilities	730	708
Deferred tax expense/benefit	**892**	**536**
Total income taxes	**-1 654**	**-2 266**

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

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Result for the period before taxes	9 125	10 348
Tax calculated at the Finnish tax rate of 20%	-1 825	-2 070
Tax effect of tax free and non-deductible items:		
Effect of the expenses not deductible for tax purposes[1)]	-56	-224
Effect of the tax-free income	11	26
Recognition of deferred tax assets for previously unrecognized losses	155	-
Adjustments in respect to prior years	62	1
Total income taxes	**-1 654**	**-2 266**

[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 18(22)%.

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 19.

13. Related party transactions

Transactions and balances with related parties:

EUR thousand	2022	2021
Communities that hold significant control in community		
Sales	16 627	10 566
Purchases	-103	-257
Trade receivables	2 053	2 016
Trade payables and other liabilities	-	10

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 20, 25 and 26.

Key management remuneration (accrual basis) is presented below:

Board of Directors remuneration

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Tapio Pajuharju	50	48
Kati Hagros	25	25
Liisa Harjula	25	25
Timo Laine, until 12 April 2022	6	24
Timo Mänty	24	24
Paul-Petteri Savolainen	24	24
Jarno Suominen	25	25
Mika Uotila	25	24
Mikko Wiren, from 12 April 2022	20	-
Total	**224**	**220**

Key management wages and salaries
(not including CEO)

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Wages, salaries and benefits	755	782

CEO remuneration

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Wages, salaries and benefits		
CEO, until 19 December 2022	545	296
CEO, from 19 December 2022	9	-
Total	**554**	**296**

In 2022 CEO's remuneration includes termination benefits.

Management compensation
(Board of Directors, CEO, key managament)

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Short-term employee benefits	1 373	1 324
Post-employment benefits	193	190
Termination benefits	221	-
Share-based payments	-18	9
Total	**1 769**	**1 523**

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 60 (52) 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 27.

14. Business combinations

Acquisitions 2022

Acquisition of Eezy Farenta, Eezy Siqni and Eezy Leidenschaft

In line with its strategy, Eezy strengthened its professional staffing services by purchasing the share capital of Farenta Ltd (current Eezy Farenta Ltd) from Oriola Plc on 1 April 2022. Farenta supports around 350 pharmacies yearly with over 300 employees and it is the largest pharmacy staffing service operator in Finland.

In line with its strategy, Eezy strengthened its research and coaching services by acquiring research and business culture companies The Siqnificant Company Ltd (current Eezy Siqni Ltd) and Leidenschaft Ltd (current Eezy Leidenschaft Ltd) on 1 April 2022. The companies will become part of Eezy Flow Ltd, which belongs to the Eezy Group and offers management, strategy, research and change management services. Leidenschaft is Finland's first business culture agency, whose mission is to develop business culture into a real competitive advantage. The Siqnificant Company's product, Siqni, is the world's first tool for gaining employee understanding and measuring employee experience.

EUR thousand	Eezy Farenta	Eezy Siqni and Eezy Leidenschaft
Purchase considerations		
Cash consideration	881	5 009
Shares issued	-	599
Total purchase consideration	**881**	**5 608**

Shares of Eezy Flow issued in exchange for Eezy Siqni and Eezy Leidenschaft

The fair value of Eezy Flow shares issued in exchange for Eezy Siqni and Eezy Leidenschaft is EUR 599 thousand.

Fair values of the acquired assets and liabilities assumed in the business combinations at the acquisition date:

EUR thousand	Eezy Farenta	Eezy Siqni and Eezy Leidenschaft
ASSETS		
Non-current assets		
Intangible assets	1 048	1 597
Property, plant and equipment	85	34
Receivables	-	67
Total non-current assets	**1 133**	**1 698**
Current assets		
Trade receivables and other receivables	823	793
Cash and cash equivalents	71	44
Total current assets	**894**	**837**
TOTAL ASSETS	**2 028**	**2 535**
LIABILITIES		
Non-current liabilities		
Loans from financial institutions	-	229
Lease liabilities	23	-
Deferred tax liability	165	250
Total non-current liabilities	**188**	**479**
Current liabilities		
Loans from financial institutions	-	147
Lease liabilities	39	46
Trade payables and other liabilities	3 896	753
Current income tax liabilities	-	126
Total current liabilities	**3 935**	**1 072**
TOTAL LIABILITIES	**4 122**	**1 551**

EUR thousand	Eezy Farenta	Eezy Siqni and Eezy Leidenschaft
Total net assets acquired	-2 095	984
Goodwill	2 976	4 625
Purchase consideration	**881**	**5 608**

Fair values of the acquired identified intangible assets at the acquisition date

EUR thousand	Eezy Farenta	Eezy Siqni and Eezy Leidenschaft
Customer relationships	486	328
Trademarks	336	168
Non-competition agreements	-	754
Total	**823**	**1 250**

Eezy Farenta

The gross amount of trade receivables at the date of the acquisition was EUR 815 thousand and it was estimated to be fully collectable.

Goodwill arising from the acquisition of Eezy Farenta amounted to EUR 2 976 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 61 thousand and are recorded in other operating expenses for the period 2022.

Eezy Siqni and Eezy Leidenschaft

The gross amount of trade receivables at the date of the acquisition was EUR 507 thousand and it was estimated to be fully collectable.

Goodwill arising from the acquisition of Eezy Siqni and Eezy Leidenschaft amounted to EUR 4 625 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 203 thousand and are recorded in other operating expenses for the period 2022.

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 2022:

EUR thousand	Eezy Farenta 1 Apr – 31 Dec 2022	Eezy Siqni and Eezy Leidenschaft 1 Apr – 31 Dec 2022
Impact on the Group Revenue and Result		
Revenue	5 308	2 586
Result for the period	-194	407

If the acquisitions had taken place on 1 January 2022, the pro forma consolidated revenue for the financial year from 1 January 2022 to 31 December 2022 would have been EUR 250 166 thousand and pro forma consolidated operating profit would have been EUR 9 914 thousand. The pro forma figures are based on the consolidated revenue and operating profit for the financial year 2022 as well as on the revenue and operating profit of the acquired companies from the beginning of 2022 until the date of the acquisitions. Figures have been adjusted related to the amortizations of intangible assets related to acquisitions, as if acquisitions had been done on 1 January 2022 and additional amortizations recorded since then.

Cash flows from purchase considerations

EUR thousand	Eezy Farenta	Eezy Siqni and Eezy Leidenschaft
Cash consideration	881	5 009
Deducted: Cash and cash equivalents acquired	-71	-44
Net cash flow	**810**	**4 965**

Other acquisitions

In June, Eezy increased its ownership in Eezy Valmennuskeskus Ltd by 10% and recorded the paid purchase price EUR 0.3 million against the contingent consideration recorded in 2021. As of a result of this and the revaluation of the remaining contingent debt, the company has recorded EUR 0.6 million to financial income. Eezy Plc owns 90 % of the company. Eezy Valmennuskeskus Ltd has been consolidated by 100-percent to Eezy Group (IFRS) since initial acquisition date.

Eezy made an investment of approx. EUR 0.2 million in minority shareholding of VeggArt's Oy which specializes in employment services for immigrants.

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.

On 1 October 2021 Eezy strengthened its recruitment of labour from outside Finland through its purchase of Triton Henkilöstöpalvelut Oy (current Eezy Triton Oy), which is a company that recruits labour from several eastern European countries.

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(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 (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 combination at the acquisition date:

EUR thousand	Eezy Valmennuskeskus	Eezy Triton	ValueScout
ASSETS			
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 receivables	14	-	-
Cash and cash equivalents	3	122	-
Total current assets	**1 726**	**563**	**-**
TOTAL ASSETS	**4 133**	**728**	**34**
LIABILITIES			
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**
Total 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 1 Nov – 31 Dec 2021	Eezy Triton 1 Oct – 31 Dec 2021
Impact on the Group Revenue and Result		
Revenue	1 581	705
Result for the period	142	46

If the acquisitions had taken place on 1 January 2021, the pro forma consolidated revenue for the financial year from 1 January 2022 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 companies from the beginning of 2021 until the date of the acquisitions. Figures have been adjusted related to the amortizations of intangible assets related to acquisitions, as if acquisitions had been done on 1 January 2021 and additional amortizations recorded since then.

Cash flows from purchase considerations

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**

Divestments in financial year 2022

During financial year 2022 there were no disposal of subsidiaries.

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.

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 15.

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 25.

15. Intangible assets

EUR thousand	Goodwill	Trademarks	IT Software	Customer relation-ships	Non-competition agreements	Develop-ment costs	Intangible assets total
Cost at 1 Jan 2022	134 054	3 184	9 458	27 804	3 674	515	44 636
Acquisitions	7 600	505	573	814	754	-	2 646
Additions	-	4	2 433	-	-	406	2 843
Disposals	-	-	-430	-	-2 806	-	-3 236
Transfers between classes	-	-	37	-	-	-37	0
Cost at 31 Dec 2022	**141 654**	**3 692**	**12 072**	**28 618**	**1 622**	**885**	**46 889**
Accumulated amortization and impairment at 1 Jan 2022	-	-693	-6 691	-6 507	-2 415	-14	-16 320
Disposals	-	-	403	-	2 806	-	3 210
Amortization	-	-354	-1 307	-2 926	-797	-109	-5 493
Accumulated amortization and impairment at 31 Dec 2022	**-**	**-1 047**	**-7 594**	**-9 433**	**-406**	**-123**	**-18 603**
Net carrying value at 1 Jan 2022	134 054	2 491	2 767	21 297	1 259	501	28 314
Net carrying value at 31 Dec 2022	**141 654**	**2 646**	**4 477**	**19 185**	**1 216**	**761**	**28 284**

EUR thousand	Goodwill	Trademarks	IT Software	Customer relation-ships	Non-competition agreements	Develop-ment 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
Amortization		-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**

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 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 future market demand and environment.

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

	31 Dec 2022	31 Dec 2021
The average cumulative increase in revenue, forecast period	6.1%	10.4%
Terminal growth assumption	2.0%	1.0%
Average EBITDA, forecast period	10.3%	10.3%
Forecasted EBITDA, terminal value	9.5%	9.5%
Pre-tax discount rate	11.3%	10.9%

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 budgeted, 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 2% 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 general poor economic development and high inflation in Finland due to e.g indirect effects of Russia's offensive war in Ukraine, the effect of possible sick leaves and the availability of labor in competition in the personnel service and recruitment market. The growth assumption for the terminal period has been determined as 2% 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

In 2022 and 2021, impairment testing has been performed quarterly. 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.

16. 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 2022	827	7 296	1 481	849	102	10 556
Acquisitions	-	46	58	62	-	166
Additions	57	2 694	41	259	-	3 051
Disposals	-	-1 569	-83	-145	-	-1 798
Revaluation	-	282	-	-97	-	185
Cost at 31 Dec 2022	**884**	**8 749**	**1 498**	**928**	**102**	**12 161**
Accumulated depreciation and impairment at 1 Jan 2022	-415	-3 647	-1 098	-229	-73	-5 462
Disposals	-	1 569	-1	145	-	1 714
Depreciation	-161	-2 169	-102	-301	-	-2 733
Accumulated depreciation and impairment at 31 Dec 2022	**-576**	**-4 246**	**-1 201**	**-385**	**-73**	**-6 481**
Net carrying value at 1 Jan 2022	413	3 650	383	620	29	5 095
Net carrying value at 31 Dec 2022	**307**	**4 503**	**297**	**542**	**29**	**5 680**

EUR thousand	Buildings	Buildings, right-of-use	Machinery and equipment	Machinery and equipment, right-of-use	Other	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**

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.

17. 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 16.

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

Lease liabilities

EUR thousand	31 Dec 2022	31 Dec 2021
Current	2 211	1 975
Non-current	2 948	2 527
Total	**5 159**	**4 502**

The maturity of the lease liabilities is presented in note 26.

Eezy has leases that have not yet commenced but Eezy is contractually committed to. The leases commence during 2023 and the total lease liability of the contracts is approximately EUR 5 million.

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

EUR thousand	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Depreciation and impairment losses	-2 470	-2 146
Interest expenses from lease liabilities	-136	-131
Lease expenses from short term leases	-183	-49
Lease expenses from leases of low value assets	-712	-583

The total cash outflow for leases in 2022 was EUR 3 619 (2 814) 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 of 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.

18. Investments in shares and funds

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

EUR thousand	31 Dec 2022 Fair value	Level	31 Dec 2021 Fair value	Level
Investments in shares, unquoted	240	3	240	3
Total	**240**		**240**	

The changes in level 3 items are as follows:

	Share investments
1 Jan 2021	235
Addition	5
31 Dec 2021	**240**
31 Dec 2022	**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 25.

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. 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.

19. 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 2022	Recognized in profit or loss	31 Dec 2022
Deferred tax assets			
Tax losses carried forward	35	-15	20
Tax losses from the period	-	155	155
Leases	23	-	23
Credit loss provision	143	23	166
Total	**201**	**162**	**363**

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 2022	Recognized in profit or loss	Acquisitions	31 Dec 2022
Deferred tax liabilities				
Business combinations	5 179	-727	415	4 865
Loans	12	-2	-	10
Total	**5 190**	**-730**	**415**	**4 875**

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**

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.

20. Trade receivables and other receivables

EUR thousand	31 Dec 2022	31 Dec 2021
Non-current receivables		
Growth funding receivables	423	683
Lease guarantees	313	441
Other receivables	36	27
Total non-current receivables	**772**	**1 152**
Current receivables		
Trade receivables	30 718	30 105
Growth funding receivables	190	358
Other loan receivables	9	46
Other receivables	537	454
Accrued income	2 009	687
Total current receivables	**33 463**	**31 649**
Total trade receivables and other receivables	**34 235**	**32 800**

Accrued income consists of sales accruals, 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 26.

21. 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 26.

22. Equity

EUR thousand, unless otherwise specified	Shares 1 000 pcs	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total attributable to the owners of the parent company	Non-controlling interests	Total equity
31 Dec 2022	25 047	80	107 876	1 488	109 444	3 630	113 074
31 Dec 2021	25 047	80	107 876	-1 857	106 099	3 037	109 136

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 listed on the official list of Nasdaq Helsinki.

Pcs	2022	2021
1 Jan	25 046 815	24 849 375
Directed share issue	-	197 440
31 Dec	**25 046 815**	**25 046 815**

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 12 April 2022 that for year 2021 a dividend of EUR 0.15 per share is distributed in two tranches. The first tranche of the dividend, EUR 0.10 per share, was paid on 26 April 2022. The second tranche of the dividend, EUR 0.05 per share, was paid on 27 October 2022.

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 2023.

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.

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.

23. Earnings per share

	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Profit for the financial year attributable to the owners of the company	7 156 154	7 600 963
Weighted average number of shares, undiluted	25 046 815	24 883 655
Earnings per share, basic (EUR)	**0.29**	**0.31**
Impact of shares related to the share-based payments plan	240 449	197 479
Weighted average number of shares, diluted	25 287 264	25 081 134
Earnings per share, diluted (EUR)	**0.28**	**0.30**

The number of dilutive shares in 2022 was 240 449 (197 479).

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.

24. 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 2021	**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**
Proceeds from borrowings	8 000	-	-	8 000
Repayments of borrowings	-4 633	-2 588	-	-7 221
Acquisitions	376	108	-	484
New leases	-	2 953	-	2 953
Revaluations	-	185	-	185
Other changes	-5	-1	-	-6
31 Dec 2022	**52 062**	**5 159**	**-**	**57 221**

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, primarily have floating interest rates and a significant part of its loans are linked to the Euribor. 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 26.

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.

25. Trade payables and other liabilities

EUR thousand	31 Dec 2022	31 Dec 2021
Non-current liabilities		
Contingent considerations	974	1 928
Share-based payments	-	16
Total non-current liabilities	**974**	**1 944**
Current liabilities		
Trade payables	9 545	6 241
Contingent considerations	39	54
VAT liability	8 672	8 994
Personnel related liabilities	4 090	4 487
Other liabilities	241	515
Personnel related accrued expenses	15 665	14 689
Other accrued expense	702	520
Total current liabilities	**38 954**	**35 499**
Total trade payables and other liabilities	**39 928**	**37 443**

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.

26. 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 5 768 (6 106) 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.

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 2022, the Group has non-current loans from financial institutions EUR 47 614 (43 924) thousand and current loans from financial institutions EUR 4 448 (4 400) thousand. The terms and conditions of the loans and related covenants are described in note 24.

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 2022						
Loans from financial institutions	1 749	4 757	49 522	14	56 043	52 062
Lease liabilities	1 367	991	2 710	361	5 428	5 159
Trade payables	9 545	-	-	-	9 545	9 545
Contingent considerations	39	-	954	20	1 013	1 013
Total	**12 700**	**5 748**	**53 186**	**395**	**72 029**	**67 779**

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	2 058	535	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**

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 551 (227) thousand on trade receivables and growth funding receivables as credit losses and EUR 882 (307) 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.

The expected loss rates are based on the payment profiles of sales over a period of 36 months before

31 December 2022 or 31 December 2021, 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	Due over 180 days	Total
31 Dec 2022							
Expected credit loss rate, %	0.2%	0.8%	1.5%	2.0%	10.0%	26.0%	
Carrying value of trade receivables	26 347	1 494	234	382	1 030	1 906	31 392
Credit loss provision	**53**	**12**	**4**	**8**	**103**	**496**	**674**

EUR thousand	Not due	Due 1-30 days	Due 31-60 days	Due 61-90 days	Due 91-180 days	Due 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	2022	2021
1 Jan	**448**	**345**
Change in provision	-105	20
Recognized as credit losses	-551	-224
Unused amount reversed	882	307
31 Dec	**674**	**448**

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. 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.

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

Eezyn johto seuraa osana pääoman hallintaa konsernitaseen mukaisia lainoja sekä omaa pääomaa. Konsernin pääoman 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's loans primarily have floating interest rates and a significant part of its loans are linked to the Euribor, EUR 17.5 million loan has a fixed interest rate. The Group's floating interest rates loans may expose to the cash flow interest rate risk. The interest rates of borrowings are described in note 24.

27. Group structure

Subsidiaries belonging to the Group as at 31 December 2022 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%
Eezy Kevytyrittäjät Osk	Helsinki	100%
Eezy Personnel Oy	Tampere	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%
Eezy Kauppa Etelä-Suomi Oy	Helsinki	100%
Eezy Kauppa Helsinki Oy	Helsinki	100%
Eezy Kauppa Suomi Oy	Helsinki	100%
Eezy Kauppa Pirkanmaa Oy	Helsinki	100%
Eezy Kauppa Uusimaa Oy	Helsinki	100%
Eezy Kauppa Länsi Oy	Helsinki	100%
Eezy Flow Oy	Turku	70.10%
Eezy Siqni Oy	Helsinki	100%
Eezy Leidenschaft Oy	Helsinki	100%
Eezy Henkilöstöpalvelut Oy	Tampere	100%
Happy Henkilöstöpalvelut Oy	Tampere	100%
Smile Job Services Oy	Tampere	100%
Resta Henkilöstöpalvelut Oy	Tampere	100%
Doctors by Eezy Oy	Tampere	80.75%
Smile Office Oy	Tampere	100%
Eezy Events Oy	Tampere	100%
Smile Huippu Oy	Kuopio	100%
Smile MMS Oy	Kuortane	100%
Smile Industries Oy	Kuortane	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 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 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	Tampere	100%
Eezy Import Oy	Tampere	80.00%
Eezy Teollinen Pohjoinen Oy	Tampere	100%
Smile Kymppi-Service Länsi-Suomi Oy	Tampere	100%
Eezy United Oy	Helsinki	70.00%
Eezy United Tampere Oy	Helsinki	63.00%
Eezy United Jyväskylä Oy	Jyväskylä	63.00%
Eezy Shine Oy	Helsinki	67.00%
Eezy Valmennuskeskus Oy	Helsinki	90.00%
Eezy Farenta Oy	Helsinki	100%

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.

28. 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)
2022						
Eezy Henkilöstöpalvelut Oy						
Doctors by Eezy Oy	27 Jan 2022	4.75%	80.75%	79	-44	-37
2021						
Eezy Henkilöstöpalvelut Oy						
Smile Industries Kuopio Oy	5 Feb 2021	10.00%	100.00%	40	-23	-18

29. Investments in associates

EUR thousand	2022	2021
Cost at 1 Jan	-	-
Acquisitions	245	-
Share of the result of associates	7	-
Cost at 31 Dec	**252**	**-**

On 14 June 2022, Eezy made an investment of EUR 245 thousand in minority shareholding of VeggArt’s Oy which specializes in employment services for immigrants.

30. 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 a used as a comprehensive guarantee for liabilities on the bank accounts included in the cash pool agreement.

EUR thousand	31 Dec 2022	31 Dec 2021
Liabilities in balance sheet for which collaterals given		
Loans from financial institutions, non-current	47 614	43 924
Loans from financial institutions, current	4 448	4 400
Total	**52 062**	**48 325**

EUR thousand	31.12.2022	31.12.2021
Mortgages on own behalf		
Company mortgages	100 000	100 000
Property, plant and equipment	-	16
Total	**100 000**	**100 016**

The shares of Eezy VMP Oy, Eezy Henkilöstöpalvelut Oy and Eezy Farenta 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.

31. New standards

New and amended standards and accounting policies applied in the financial year ended 31 December 2022

Group has applied following new and amended standards and accounting policies from 1 January 2022 onwards. These have not had an impact on consolidated financial statements 2022.

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 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.

Property, Plant and Equipment — Proceeds before Intended Use – Amendments to IAS 16 Property, Plant and Equipment (effective for financial years beginning on or after 1 January 2022)
Under the amendments, proceeds from selling items before the related item of PPE is available for use should be recognised in profit or loss, together with the costs of producing those items.

Reference to the Conceptual Framework — Amendments to IFRS 3 Business Combinations (effective for financial years beginning on or after 1 January 2022)
The amendments update a reference in IFRS 3 and makes further reference related amendments.

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.

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.

Lease Liability in a Sale and Leaseback – Amendments to IFRS 16 Leases (effective for financial years beginning on or after 1 January 2024, early application is permitted)*
The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.

*Classification of Liabilities as Current or Non-current - Amendments to IAS 1 Presentation of Financial Statements *: Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-current - Deferral of Effective Date; and Non-current Liabilities with Covenants (effective for financial years beginning on or after 1 January 2024, early application is permitted)*
The amendments are to promote consistency in application and clarify the requirements for determining if a liability is current or non-current. The amendments specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. The amendments require to disclose information about these covenants in the notes to the financial statements.

*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures * (available for optional adoption, effective date deferred indefinitely)*
The amendments address the conflict between the existing guidance on consolidation and equity accounting and require the full gain to be recognised when the assets transferred meet the definition of a 'business' under IFRS 3 Business Combinations.

** = not yet endorsed for use by the European Union as of 31 December 2022*

32. Events after the balance sheet date

No significant events after the balance sheet date.

Parent company financial statements

1 January – 31 December 2022

Parent company income statement (FAS)

EUR	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Revenue	**13 905 949.54**	**12 064 136.50**
Other operating income	49 262.19	7 101.53
Personnel expenses		
Wages and salaries	-3 559 074.72	-3 119 606.46
Social security expenses		
Pension expenses	-568 546.45	-509 527.35
Other social security expenses	-134 385.15	-109 490.18
Social security expenses	-702 931.60	-619 017.53
Personnel expenses	-4 262 006.32	-3 738 623.99
Depreciation, amortization and impairment losses		
Depreciation and amortization according to plan	-82 788.68	-40 681.97
Depreciation, amortization and impairment losses	-82 788.68	-40 681.97
Other operating expenses	-8 555 631.87	-7 228 821.03
Operating profit (loss)	**1 054 784.86**	**1 063 111.04**
Financial income and expenses		
Income from investmens in group companies	80 000.00	0,00
Other interest income and other financial income		
From other companies	24.34	73.45
From group companies	1 777 361.53	1 679 042.61
Interest expenses and other financial expenses		
To other companies	-1 462 712.65	-1 262 775.61
To group companies	0.00	-5.31
Financial income and expenses	394 673.22	416 335.14
Profit (loss) before appropriations and taxes	**1 449 458.08**	**1 479 446.18**
Appropriations		
Group contribution	4 015 000.00	2 500 000.00
Appropriations	4 015 000.00	2 500 000.00
Income taxes		
Taxes for the financial year and previous financial years	-1 114 925.76	-816 254.64
Income taxes	-1 114 925.76	-816 254.64
Profit (loss) for the financial year	**4 349 532.32**	**3 163 191.54**

Parent company balance sheet (FAS)

EUR	31 Dec 2022	31 Dec 2021
ASSETS		
Non-current assets		
Intangible assets		
Intangible rights	24 440.75	30 342.93
Goodwill	0.00	94 166.69
Other non-current expenditures	199 513.52	165 850.62
Total intangible assets	223 954.27	290 360.24
Tangible assets		
Machinery and equipment	65 119.15	45 366.54
Total tangible assets	65 119.15	45 366.54
Investments		
Holdings in group companies	165 406 373.58	115 909 034.40
Total investments	165 406 373.58	115 909 034.40
Total non-current assets	**165 695 447.00**	**116 244 761.18**
Current assets		
Non-current receivables		
Receivables from group companies	4 500 000.00	47 500 000.00
Other non-current receivables	19 171.64	19 171.64
Total non-current receivables	4 519 171.64	47 519 171.64
Current receivables		
Trade receivables	4 602.20	2 335.76
Receivables from group companies	32 726 213.15	35 754 774.17
Other receivables	1.18	22 875.17
Prepayments and accrued income	273 385.27	198 785.63
Total current receivables	33 004 201.80	35 978 770.73
Cash at bank and in hand	5 634 685.21	5 605 663.51
Total current assets	**43 158 058.65**	**89 103 605.88**
TOTAL ASSETS	**208 853 505.65**	**205 348 367.06**
EQUITY AND LIABILITIES		
Equity		
Share capital	80 000.00	80 000.00
Reserve for invested unrestricted equity	110 507 409.02	110 507 409.02
Retained earnings	10 810 238.82	11 404 069.53
Profit (loss) for the financial year	4 349 532.32	3 163 191.54
Total equity	**125 747 180.16**	**125 154 670.09**
Liabilities		
Non-current liabilities		
Liabilities to credit institutions	47 222 216.00	43 444 440.00
Other non-current liabilities	0.00	60 000.00
Total non-current liabilities	47 222 216.00	43 504 440.00
Current liabilities		
Liabilities to credit institutions	4 222 224.00	4 222 224.00
Trade payables	501 830.82	744 729.80
Liabilities to group companies	29 445 579.83	30 100 671.38
Other liabilities	361 522.39	279 144.28
Accruals and deferred income	1 352 952.45	1 342 487.51
Total current liabilities	35 884 109.49	36 689 256.97
Total liabilities	**83 106 325.49**	**80 193 696.97**
TOTAL EQUITY AND LIABILITIES	**208 853 505.65**	**205 348 367.06**

Parent company cash flow statement (FAS)

EUR	1 Jan – 31 Dec 2022	1 Jan – 31 Dec 2021
Cash flow from operating activities		
Cash receipts from customers	13 689 393.39	11 831 516.36
Cash paid to suppliers and employees	-13 434 387.83	-10 424 746.33
Cash flow from operating activities before financial items and taxes	**255 005.56**	**1 406 770.03**
Interest and expenses paid from other operating financial expenses	-1 357 305.22	-1 270 055.60
Dividends received	80 000.00	0.00
Interest received from operating activities	1 881 005.56	1 723 226.53
Other financial expenses paid	-13 098.16	-364.23
Direct taxes paid	-1 138 755.04	-606 535.03
Net cash from operating activities	**-293 147.30**	**1 253 041.70**
Cash flow from investing activities		
Investments in tangible and intangible assets	-176 689.00	-99 370.25
Proceeds from sale of tangible assets	62 766.00	0.00
Investments in subsidiaries	-1 297 339.18	-4 950 846.17
Net cash from investing activities	**-1 411 262.18**	**-5 050 216.42**
Cash flow from financing activities		
Repayment of current loans and borrowings	-4 222 224.00	-4 222 224.00
Group cash pool	4 512 677.43	583 696.41
Proceeds from non-current loans	8 000 000.00	0.00
Dividends paid	-3 757 022.25	-3 737 278.25
Granted loans	-5 450 000.00	-150 000.00
Group contribution received and paid	2 500 000.00	2 380 000.00
Proceeds from repayment of loans	150 000.00	0.00
Net cash from financing activities	**1 733 431.18**	**-5 145 805.84**
Net increase/decrease in cash and cash equivalents	**29 021.70**	**-8 942 980.56**
Cash and cash equivalents at beginning of financial year	5 605 663.51	14 548 644.07
Cash and cash equivalents at end of financial year	**5 634 685.21**	**5 605 663.51**

Notes to the Parent Company Financial Statements

Notes to accounting principles for financial statements

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 principles 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 depreciation according to plan.

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

Recognition principles and methods

Cost of intangible and tangible 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 usefu 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:

	2022	2021
Salaried employees	49	44
Total	**49**	**44**

Auditor’s fees

KPMG Oy Ab

EUR	2022	2021
Statutory audit	145 689.21	142 235.18
Other advisory services	5 918.70	6 500.00
Tax advisory services	9 135.00	5 250.00
Other services	105 829.66	56 733.00
Total	**266 572.57**	**210 718.18**

Notes to assets

Intangible assets

EUR	Intangible rights	Other non-current expenditures	Advances paid	Goodwill	Total
Cost at 1 Jan 2022	34 089.75	209 125.80	0.00	100 000.00	343 215.55
Additions	0,00	79 405.50	0,00	3 058.50	82 464.00
Disposals	0.00	0.00	0.00	-103 058.00	-103 058.50
Cost at 31 Dec 2022	**34 089.75**	**288 531.30**	**0.00**	**0.00**	**322 621.05**
Accumulated amortization and impairment losses at 1 Jan 2022	-3 746.82	-43 275.18	-	-5 833.31	-52 855.31
Accumulated amortization on disposals and reclassifications	0.00	0.00	-	15 270.82	15 270.82
Amortization	-5 902.18	-45 742.60	-	-9 437.51	-61 089.29
Accumulated amortization and impairment losses at 31 Dec 2022	**-9 649.00**	**-89 017.78**	**-**	**0.00**	**-98 666.78**
Book value 1 Jan 2022	30 342.93	165 850.62	0.00	94 166.69	290 360.24
Book value at 31 Dec 2022	**24 440.75**	**199 513.52**	**0.00**	**0.00**	**223 954.27**

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
Additions	34 089.75	154 462.50	126 907.45	100 000.00	415 459.70
Disposals	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 1 Jan 2021	0.00	136 549.80	0.00	0.00	136 549.80
Book value at 31 Dec 2021	**30 342.93**	**165 850.62**	**0.00**	**94 166.69**	**290 360.24**

Tangible assets

EUR	Machinery and equipment	Total
Cost at 1 Jan 2022	107 535.43	107 535.43
Additions	41 459.00	41 459.00
Cost at 31 Dec 2022	**148 994.43**	**148 994.43**
Accumulated depreciation and impairment losses at 1 Jan 2022	-62 168.89	-62 168.89
Depreciation	-21 706.39	-21 706.39
Accumulated depreciation and impairment losses at 31 Dec 2022	**-83 875.28**	**-83 875,28**
Book value at 1 Jan 2022	45 366.54	45 366.54
Book value at 31 Dec 2022	**65 119.15**	**65 119.15**

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
Depreciation	-15 122.16	-15 122.16
Accumulated depreciation and impairment losses at 31 Dec 2021	**-62 168.89**	**-62 168.89**
Book value at 1 Jan 2021	60 488.70	60 488.70
Book value at 31 Dec 2021	**45 366.54**	**45 366.54**

Investments

EUR	Investments in Group companies	Total
Cost at 1 Jan 2022	115 909 034.40	115 909 034.40
Additions	49 497 339.18	49 497 339,18
Cost at 31 Dec 2022	**165 406 373.58**	**165 406 373,58**
Book value at 1 Jan 2022	115 909 034.40	115 909 034.40
Book value at 31 Dec 2022	**165 406 373.58**	**165 406 373,58**

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

Prepayments and accrued income

EUR	31 Dec 2022	31 Dec 2021
Other accrued income	273 385.27	198 785.63
Prepayments and accrued income	**273 385.27**	**198 785.63**

Notes to equity and liabilities

Changes in equity

EUR	2022	2021
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	110 507 409.02	109 202 890.02
Issue of shares	0.00	1 304 519.00
Reserve for invested unrestricted equity at 31 Dec	**110 507 409.02**	**110 507 409.02**
Retained earnings at 1 Jan	14 567 261.07	15 141 347.78
Dividend distribution	-3 757 022.25	-3 737 278.25
Retained earnings at 31 Dec	**10 810 238.82**	**11 404 069.53**
Profit (loss) for the financial year	**4 349 532.32**	**3 163 191.54**
TOTAL UNRESTRICTED EQUITY	**125 667 180.16**	**125 074 670.09**
TOTAL EQUITY	**125 747 180.16**	**125 154 670.09**

Specification of distributable funds

EUR	31 Dec 2022
Retained earnings	10 810 238.82
Profit (loss) for the financial year	4 349 532.32
Reserve for invested unrestricted equity	110 507 409.02
Total unrestricted equity	**125 667 180.16**
TOTAL DITRIBUTABLE FUNDS	**125 667 180.16**

Notes to Report of the Board of Directors according to Limited Liability Companies Act

Share capital	2022	2021
Number of shares	25 046 815	25 046 815

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 2022	31 Dec 2021
Accrued interests of the loans from financial institutions	200 732.87	108 423.60
Accrued income taxes	423 225.38	447 054.66
Personnel related accrued expenses	718 611.52	772 227.10
Other accrued expenses	10 382.68	14 782.15
Accruals and deferred income	**1 352 952.45**	**1 342 487.51**

Collaterals and commitments

EUR	31 Dec 2022	31 Dec 2021
LIABILITIES, MORTGAGES AND SHARES AS COLLATERALS		
Liabilities to credit institutions, other mortgage as collateral	51 444 440.00	47 666 664.00
Liabilities to credit institutions	**51 444 440.00**	**47 666 664.00**
LIABILITIES, MORTGAGES AND SHARES AS COLLATERALS	**51 444 440.00**	**47 666 664.00**
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	160 107 914.32	109 653 669.23
Pledged shares	**160 107 914.32**	**109 653 669.23**
MORTGAGE AND SHARES, COLLATERAL FOR LIABILITIES TO CREDIT INSTITUTIONS	**260 107 914.32**	**209 635 669.23**
COLLATERALS GIVEN ON OWN BEHALF		
Guarantees	183 177.91	0.00
Collaterals given	**183 177.91**	**0.00**
COLLATERALS GIVEN ON OWN BEHALF	**183 177.91**	**0.00**
COLLATERALS GIVEN ON BEHALF OF GROUP COMPANIES		
Guarantees	10 760 524.40	10 669 997.00
Collaterals given	**10 760 524.40**	**10 669 997.00**
COLLATERALS GIVEN ON BEHALF OF GROUP COMPANIES	**10 760 524.40**	**10 669 997.00**
COLLATERALS	**271 051 616.63**	**220 323 666.23**
COMMITMENTS AND OTHER OBLIGATIONS		
Rental liabilities, payable in less than one year	453 403.96	61 844.04
Rental liabilities, payble in more than one year	5 052 261.55	242 222.49
Rental liabilities	**5 505 665.51**	**304 066.53**
Lease obligations, payable in less than one year	83 577.57	67 547.52
Lease obligations, payble in more than one year	80 888.06	41 203.53
Lease obligations	**164 465.63**	**108 751.05**
COMMITMENTS	**5 670 131.14**	**412 817.58**

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

Helsinki, 15 February 2023

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 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	Mikko Wirén Member of the Board of Directors
Pasi Papunen CEO	

Auditor's note

An auditor's statement has been issued today on the complete audit.

Helsinki, 15 February 2023

KPMG Oy Ab

Esa Kailiala
Authorized Public Accountant

Auditor’s Report

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

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, 2022. 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 247.6 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. — The amount and timing of recognition of reportable revenues depend on range of services, contract terms and conditions, and contract term. — 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. — 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. — Furthermore, we inspected credit notes and controls over credit note approval and recognition.
Valuation of consolidated goodwill (EUR 141.7 million) and subsidiary shares in parent company’s financial statements (EUR 165.4 million) **(Accounting policies for the consolidated financial statements, note 15 and notes to the parent company financial statements)**	
— At the balance sheet date 31 December 2022 goodwill totaled EUR 141.7 million, representing approximately 65% of the consolidated total assets. The subsidiary shares, EUR 165.4 million, account for approximately 79% for the parent company’s total assets. — 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. — 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. — 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. — We utilised our own valuation specialists that assessed the technical accuracy of the calculations and compared the assumptions used to market and industry information. — 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 57.2 million)
(Notes 24 and 26 to the consolidated financial statements)

- At the financial year-end 2022 the consolidated interest-bearing liabilities totaled EUR 57.2 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.
- 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 six 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, 15 February 2023

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ESA KAILIALA
Authorised Public Accountant, KHT