



# Eezy Plc

## Q2/2023

Half-Year Report

January–June 2023



# Revenue and EBIT decreased in weakening economic situation

## In Brief

### April–June 2023

- Revenue was EUR 58.1 million (EUR 67.1 million in April–June 2022). Revenue decreased by 13%.
- EBITDA was EUR 3.1 million (4.3).
- EBIT was EUR 1.1 million (2.1) and was 1.9% of revenue (3.2%).
- Earnings per share was EUR 0.01 (0.07).

### January–June 2023

- Revenue was EUR 110.9 million (EUR 118.1 million in January–June 2022). Revenue decreased by 6%.
- EBITDA was EUR 6.6 million (6.8).
- EBIT was EUR 2.4 million (2.6) and was 2.2% of revenue (2.2%).
- Earnings per share was EUR 0.03 (0.07).

### Outlook for 2023 (given 7.8.2023)

Eezy does not give guidance for 2023.

### Previous guidance (given 16.2.2023)

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

## Key figures (IFRS)

EUR million, unless otherwise specified	4–6/2023	4–6/2022	1–6/2023	1–6/2022	1–12/2022
Revenue	58.1	67.1	110.9	118.1	247.6
EBITDA	3.1	4.3	6.6	6.8	18.2
EBITDA, %	5.4%	6.4%	5.9%	5.7%	7.4%
EBIT	1.1	2.1	2.4	2.6	10.0
EBIT, %	1.9%	3.2%	2.2%	2.2%	4.0%
EPS, undiluted, EUR	0.01	0.07	0.03	0.07	0.29
EPS, diluted, EUR	0.01	0.07	0.03	0.07	0.28
Net debt / EBITDA	-	-	3.1 x	3.1 x <sup>1</sup>	2.9 x <sup>1</sup>
Chain-wide revenue	81.1	94.1	155.0	171.1	351.6

<sup>1</sup> EBITDA is based on estimated pro forma EBITDA of last 12 months.

# Eezy launches a profitability program and will renew its strategy

**“Weakening economic situation affected especially the business development of Staffing services in the second quarter. Our revenue fell to 58.1 million euro in the second quarter (67.1). EBIT was 1.1 million euro (2.1). We will start a wide profitability program to adjust our business to weak economic outlook and will renew our strategy to ensure our competitiveness in future.**

Revenue decreased to 58.1 million euro (67.1) due to the weakening demand in Staffing services. Staffing services’ revenue decreased to 50.1 million euro (-16%) in the second quarter, and to 95.5 million euros (-8%) in the first six months. Staffing services business is affected by the weak economic situation especially in industry and construction sectors. The need for workforce has decreased, and our customers are not willing to commit to long working periods due to the weakening economy. Also, there is weakening demand for staffed employees in horeca sector and our customers are cautious in shift planning. Staffing service market decreased by -5.5% in May 2023 according to The Private Employment Agencies Association HELA.

Revenue in the Professional services increased to 8,1 million euro (7,6) in the second quarter, which we consider as a moderately good performance in the challenging environment. Development was good especially in the employment services, which offers employment and integration services to public sector. Also, personnel surveys and leadership coaching have interested our customers – the Finnish companies believe that developing the personnel experience is important also in the weakening economic situation.

EBIT decreased to 1.1 million euro (2.1) in the second quarter. In addition to decrease in revenue, weakened EBIT is due to change in sector mix in Staffing services; the lower margin sector customers have increased their share of revenue. Changes in management team reduced EBIT by 0.3 million euro.

**We will start an extensive profitability program and will renew our strategy**

I have started to get to know Eezy’s businesses and people. I am impressed about the passion and commitment that Eezy people have towards their jobs. I’m also very proud of the versatility of capabilities and services we have in the working life context; everything from personnel surveys to different kinds of coaching services, strategy and culture design, recruitment and staffing services. However, the recent development of our businesses has been weak, and economic outlook seems unclear towards the end of the year.

In the challenging operating environment, we need to adjust to weaker economic situation and to evaluate our strategy.

To adjust to the current economic situation and outlook, we will start an extensive profitability program. We target for annual cost savings of approximately 3 million euros.

In the profitability program we evaluate the efficiency of our processes and service portfolio. We expect the majority of the savings to arise from personnel costs. For this reason Eezy plans to initiate co-operation negotiations in the group companies. The new ERP with AI features in Staffing services will significantly increase the productivity next year when it is fully in use. It will automatize many of the processes that are now handled manually and will improve our competitive edge by improving customer and employee experience. First pilots will be executed during the autumn 2023.

We have grown strongly by mergers and acquisitions, and there is a lot of potential still in working together as one Eezy. We will continue to focus on active sales efforts and strengthening of our brand both in employee and customer target groups.

We will renew our strategy and the long-term financial targets during autumn. As part of the strategy process we will evaluate the current business portfolio and focus areas.

Profitability program will be implemented so that at the same time we make sure that we are ready and prepared when economic growth again starts. Our business typically grows strongly in upturn when the workforce needs of companies increase. Eezy’s mission to renew the Finnish working life is more accurate than ever. We as a society need high employment in its different forms, and growing, successful companies. Eezy is part of this solution.”

**“We will adjust our business to weakening economic outlook and ensure our future competitiveness.”**

Siina Saksi,  
CEO



## 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 Employment Industry Finland (HELA) association, the revenue of the largest companies in the staffing service market decreased approx. 6% in May 2023 and in January–May was on the same level as last year. According to HELA, the economic outlook in HR services has varied in the beginning of the year but was weak in June.

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

Weakened economic conditions have clearly decreased the workforce needs of many of our customers. The impact has been most prominent in industry and construction sectors, where volumes have continued downward. The volume development varies by geographic area and by customer, but the general trend is similar in whole Finland. The revenue of our franchise chain has decreased more than the revenue of Eezy's own units, which reflects the weakened economy in smaller cities.

### Revenue by service area

EUR million	4–6/2023	4–6/2022	Change %	1–6/2023	1–6/2022	Change %	1–12/2022
Staffing services	50.1	59.7	-16%	95.5	104.4	-8%	219.6
Professional services	8.1	7.6	6%	15.5	13.9	11%	28.4
Common functions and eliminations	-0.1	-0.1	-	-0.1	-0.3	-	-0.4
<b>Total</b>	<b>58.1</b>	<b>67.1</b>	<b>-13%</b>	<b>110.9</b>	<b>118.1</b>	<b>-6%</b>	<b>247.6</b>

1 Jan 2023 onwards Eezy reports Staffing services including both group's own staffing unit as well as the franchise fees, and Professional services including also the light entrepreneurship services.

Demand in Horeca sector has decreased during the summer.

Workforce needs in the retail sector are near the level in last year.

Demand in the professional services area has continued to be moderately good.

## Revenue

### April–June

Eezy's revenue amounted to EUR 58.1 million (67.1), decreasing by 13% compared to the corresponding period in the previous year.

Revenue decreased by 16% in the staffing services area. In the professional services area revenue increased by 6%.

Eezy's chain-wide revenue amounted to EUR 81.1 million (94.1) decreasing by 14%. Franchise fees totaled EUR 1.3 million (1.7). The invoicing volume of light entrepreneurship services was EUR 10.2 million (10.4).

### January–June

Eezy's revenue amounted to EUR 110.9 million (118.1), decreasing by 6% compared to the corresponding period in the previous year.

Revenue decreased by 8% in the staffing services area. In the professional services area revenue increased by 11% both due to organic growth and the Leidenschaft/Siqni acquisition in April 2022.

Eezy's chain-wide revenue amounted to EUR 155.0 million (171.1) decreasing by 9%. Franchise fees totaled EUR 2.6 million (3.3). The invoicing volume of light entrepreneurship services was EUR 19.6 million (19.8).

# Result

## April–June

EBITDA was EUR 3.1 million (4.3). Operating profit was EUR 1.1 million (2.1). Sick-leaves have decreased from last year, but are still somewhat higher than historically typical. One-off salary items due to collective agreements caused EUR 0.2 million costs. Personnel expenses related to changes in management of approx. EUR 0.3 million were recorded in the result.

Total depreciation, amortization and impairment was EUR 2.0 million (2.2), of which EUR 0.9 million (1.1) was acquisition related amortization. The result before taxes was EUR 0.5 million (2.4) and the result for the period was EUR 0.4 million (1.8). Earnings per share was EUR 0.01 (0.07).

## January–June

EBITDA was EUR 6.6 million (6.8). Operating profit was EUR 2.4 million (2.6). Sick-leaves have decreased from last year, but are still somewhat higher than historically typical. One-off salary items due to collective agreements caused EUR 0.2 million costs. Personnel expenses related to changes in management of approx. EUR 0.3 million were recorded in the result.

Total depreciation, amortization and impairment was EUR 4.1 million (4.2), of which EUR 1.8 million (2.1) was acquisition related amortization. The result before taxes was EUR 1.2 million (2.5) and the result for the period was EUR 0.9 million (1.9). Earnings per share was EUR 0.03 (0.07).

# Financial position and cash flow

Eezy's consolidated balance sheet on 30 June 2023 amounted to EUR 213.0 million (220.1), of which equity made up EUR 109.8 million (107.6).

As of 30 June 2023, the Group has liabilities to credit institutions amounting to EUR 51.6 million (55.2), of which EUR 46.4 (50.9) was non-current.

Cash balance on 30 June 2023 was EUR 0.1 million (1.5). The Group has overdraft facilities in total of EUR 10.0 million, of which EUR 0.8 were used on 30 June 2023.

Equity ratio stood at 51.6% (48.9%). The Group's net debt including IFRS16 leasing items on 30 June 2023 amounted to EUR 56.6 million (60.3). Net debt excluding IFRS16 leasing items was EUR 52.5 million (54.8). The net debt/EBITDA ratio was 3.1 x (3.1 x).

Operative free cash flow amounted to EUR 3.2 million (5.3) in April–June and EUR 0.5 million (3.1) in January–June.

# Investments and businesses sold

Investments in tangible and intangible assets totaled EUR 0.8 million (1.0) in April–June and EUR 1.5 million (1.4) in January–June. Investments were mainly related to IT investments.

In May, Eezy sold its share of VeggArt's Oy. A capital loss from divestment of EUR 0.1 million and, in March, an impairment on equity accounted investment of EUR 0.1 million was recorded.

# Employees

Eezy employs people in Group functions and as staffed employees assigned to customer companies. In April–June, Eezy employed on average of 534 (561) and in January–June 524 (518) people in Group functions and on average 3 497 (4 253) in April–June and 3 261 (3 730) in January–June 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

Siina Saksi was appointed as Eezy's CEO on 12 April 2023 and started work in the CEO role on 16 June 2023. The deputy CEO, director for Professional Services Unit, Pasi Papunen left the company on 16 June 2023. HR Director Hanna Lehto does not return to her position from parental leave but left the company on 16 June 2023.

# Shares and shareholders

On 30 June 2023, Eezy Plc had 25 046 815 (25 046 815) registered shares. The company holds no treasury shares. The company had 3 087 (2 715) shareholders, including nominee registered shareholders.

In January–June 2023, a total of 917 714 (1 391 933) shares were traded and the total trading volume was EUR 3.0 million (7.8). During the period, the highest quotation was EUR 3.55 (6.38) and the lowest EUR 2.76 (4.63). The volume-weighted average price of the share was EUR 3.24 (5.62). The closing price of the share at the end of June was EUR 2.90 (4.98) and the market value stood at EUR 72.6 million (124.7).

On 30 June 2023, the members of the Board of Directors and the members of the management team owned a total of 342 470 (768 820) Eezy shares, corresponding to approximately 1.4% (3.1%) 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 30 June 2023:

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	919 668	3.67
6. Asikainen Sami	387 673	1.55
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
<b>10 largest in total</b>	<b>18 288 755</b>	<b>73.02</b>
Nominee-registered	1 679 853	6.71
Others	5 078 207	20.27
<b>Total</b>	<b>25 046 815</b>	<b>100.00</b>

## Governance

### Annual General Meeting

The Annual General Meeting (AGM) was held on 13 April 2023.

The financial statements and the consolidated financial statements for the financial year 2022 were adopted. The members of the board of directors and the CEOs were discharged from liability for financial year 2022. The remuneration report for governing bodies was approved.

The AGM decided that for the year 2022, a dividend of EUR 0.15 per share be paid 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 2023. The second tranche of the dividend, EUR 0.05 per share, will be paid in October 2023.

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

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.

The AGM re-elected the company's auditor KPMG Oy Ab, which has stated that Esa Kailiala, APA, will act as the responsible auditor.

In a formation meeting of the board, held after the AGM, Tapio Pajuharju was elected to continue as the chairman. Mika Uotila (chair), Kati Hagros and Jarno Suominen will be the Audit committee. The Human Resources Committee members will be Maria Pajamo (chair), Tapio Pajuharju and Mikko Wirén.

### Valid authorizations

The authorisations given by the AGM on 13 April 2023 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 2024, 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 2024, however, for a maximum of 18 months. The authorization is unused.

## Long-term incentive plan

In March, Eezy Plc's board of directors resolved on the fourth earning period of the long-term incentive plan for the company's key employees. The fourth earning period is 24 months, starting on 1 January 2023 and ending on 31 December 2024. The reward criteria for the fourth earning period are based on Eezy Plc's total shareholder return, operating profit percent and an ESG component. A maximum of 256 000 reward shares could be awarded for the fourth earning period.

# Risks and uncertainties

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

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 does not give guidance for 2023. (given 7.8.2023)

### Previous guidance (given 16.2.2023)

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

## Events after the review period

Eezy announced on 7.8.2023 that it will launch a profitability program aiming for 3 million euro annual savings, will renew its strategy and removes the guidance for 2023.

Eezy Plc  
Board of Directors

### More information:

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### Result publication event:

A Finnish-language briefing for analysts and media will be held on 8 August 2023 at 13.00 Finnish time as a webcast at <https://eezy.videosync.fi/2023-q2-results>

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

### Result dates

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Interim Report January–September 2023

7 Nov 2023

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# Consolidated statement of comprehensive income (IFRS)

(unaudited)

EUR thousand	1 Apr – 30 Jun 2023	1 Apr – 30 Jun 2022	1 Jan – 30 Jun 2023	1 Jan – 30 Jun 2022	1 Jan – 31 Dec 2022
<b>Revenue</b>	<b>58 107</b>	<b>67 148</b>	<b>110 883</b>	<b>118 053</b>	<b>247 596</b>
Other operating income	91	91	151	190	347
Share of result of equity accounted investments	13	-	-2	-	7
Materials and services	-2 694	-3 026	-5 020	-4 945	-9 379
Personnel expenses	-47 951	-55 082	-91 197	-97 719	-202 825
Other operating expenses	-4 452	-4 862	-8 263	-8 796	-17 515
Depreciation, amortization and impairment losses	-2 016	-2 151	-4 112	-4 172	-8 226
<b>Operating profit</b>	<b>1 098</b>	<b>2 118</b>	<b>2 441</b>	<b>2 610</b>	<b>10 004</b>
Financial income	42	634	-4	676	763
Financial expense	-659	-396	-1 270	-739	-1 642
<b>Financial income and expenses</b>	<b>-618</b>	<b>238</b>	<b>-1 274</b>	<b>-63</b>	<b>-879</b>
<b>Profit before taxes</b>	<b>480</b>	<b>2 356</b>	<b>1 167</b>	<b>2 547</b>	<b>9 125</b>
Income taxes	-117	-522	-289	-607	-1 654
<b>Profit for the period</b>	<b>363</b>	<b>1 834</b>	<b>878</b>	<b>1 939</b>	<b>7 472</b>
<b>Comprehensive income for the period</b>	<b>363</b>	<b>1 834</b>	<b>878</b>	<b>1 939</b>	<b>7 472</b>
<b>Profit attributable to</b>					
Owners of the parent company	244	1 725	765	1 801	7 156
Non-controlling interests	119	110	112	138	316
<b>Profit for the period</b>	<b>363</b>	<b>1 834</b>	<b>878</b>	<b>1 939</b>	<b>7 472</b>
Earnings per share, basic (EUR)	0.01	0.07	0.03	0.07	0.29
Earnings per share, diluted (EUR)	0.01	0.07	0.03	0.07	0.28

# Consolidated balance sheet (IFRS)

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	141 654	141 654	141 654
Intangible assets	26 996	29 422	28 284
Property, plant and equipment	4 661	5 959	5 680
Equity accounted investments	-	245	252
Investments in shares	240	240	240
Receivables	2 335	953	772
Deferred tax asset	1 529	1 360	363
<b>Total non-current assets</b>	<b>177 417</b>	<b>179 833</b>	<b>177 245</b>
<b>Current assets</b>			
Trade receivables and other receivables	34 880	38 684	33 463
Current income tax receivables	557	113	213
Cash and cash equivalents	139	1 511	5 768
<b>Total current assets</b>	<b>35 577</b>	<b>40 308</b>	<b>39 444</b>
<b>TOTAL ASSETS</b>	<b>212 994</b>	<b>220 141</b>	<b>216 690</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to the owners of the parent company</b>			
Share capital	80	80	80
Reserve for invested unrestricted equity	107 876	107 876	107 876
Retained earnings	-1 697	-3 802	1 488
<b>Total equity attributable to the owners of the parent company</b>	<b>106 259</b>	<b>104 154</b>	<b>109 444</b>
Non-controlling interests	3 503	3 453	3 630
<b>Total equity</b>	<b>109 762</b>	<b>107 607</b>	<b>113 074</b>
<b>Non-current liabilities</b>			
Loans from financial institutions	46 375	50 939	47 614
Lease liabilities	2 341	3 034	2 948
Other liabilities	25	974	974
Deferred tax liability	4 556	5 204	4 875
<b>Total non-current liabilities</b>	<b>53 298</b>	<b>60 151</b>	<b>56 411</b>
<b>Current liabilities</b>			
Loans from financial institutions	5 267	4 308	4 448
Lease liabilities	1 770	2 420	2 211
Trade payables and other liabilities	41 370	43 366	38 954
Current income tax liabilities	1 526	2 288	1 591
<b>Total current liabilities</b>	<b>49 934</b>	<b>52 382</b>	<b>47 204</b>
<b>Total liabilities</b>	<b>103 232</b>	<b>112 533</b>	<b>103 615</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>212 994</b>	<b>220 141</b>	<b>216 690</b>

# Consolidated cash flow statement (IFRS)

EUR thousand	1 Apr – 30 Jun 2023	1 Apr – 30 Jun 2022	1 Jan – 30 Jun 2023	1 Jan – 30 Jun 2022	1 Jan – 31 Dec 2022
<b>Cash flows from operating activities</b>					
Customer payments received	54 697	63 432	109 627	115 198	248 736
Cash paid to suppliers and employees	-49 981	-56 478	-106 325	-109 496	-229 242
<b>Cash flows from operating activities before financial items and taxes</b>	<b>4 715</b>	<b>6 954</b>	<b>3 302</b>	<b>5 702</b>	<b>19 494</b>
Interest paid	-619	-395	-699	-457	-1 518
Interest received	10	29	21	44	80
Other financial items	18	18	34	31	79
Income taxes paid	-363	-241	-2 184	-2 331	-3 507
Proceeds from repayments of loans	-	3	-	6	31
<b>Net cash flows from operating activities</b>	<b>3 762</b>	<b>6 368</b>	<b>474</b>	<b>2 995</b>	<b>14 657</b>
<b>Cash flows from investing activities</b>					
Purchase of tangible and intangible assets	-821	-952	-1 470	-1 368	-2 998
Proceeds from sale of tangible assets	-	44	-	93	104
Acquisition of subsidiaries, net of cash acquired	-	-6 125	-	-6 125	-6 125
Purchase of equity accounted investments	-	-245	-	-245	-245
Disposal of equity accounted investments	50	-	50	-	-
Loans granted	-	-	-33	-	-
Proceeds from repayments of loans	33	2	33	4	6
<b>Net cash flows from investing activities</b>	<b>-738</b>	<b>-7 276</b>	<b>-1 420</b>	<b>-7 641</b>	<b>-9 257</b>
<b>Cash flows from financing activities</b>					
Change in non-controlling interests	-213	-	-215	-80	-80
Proceeds from non-current borrowings	-	-	-	8 000	8 000
Repayment of non-current borrowings	-	-92	-	-92	-92
Proceeds from current borrowings	820	-	820	-	-
Repayment of current borrowings	-1 182	-3 701	-1 251	-3 744	-6 941
Payment of lease liabilities	-658	-657	-1 308	-1 248	-2 588
Dividends paid	-2 532	-2 505	-2 727	-2 784	-4 036
<b>Net cash flows from financing activities</b>	<b>-3 766</b>	<b>-6 955</b>	<b>-4 682</b>	<b>50</b>	<b>-5 737</b>
<b>Net change in cash and cash equivalents</b>	<b>-742</b>	<b>-7 864</b>	<b>-5 629</b>	<b>-4 595</b>	<b>-338</b>
Cash and cash equivalents at the beginning of the reporting period	881	9 374	5 768	6 106	6 106
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>139</b>	<b>1 511</b>	<b>139</b>	<b>1 511</b>	<b>5 768</b>

# Changes in equity (IFRS)

EUR thousand	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total			
<b>Equity 1 Jan 2023</b>	<b>80</b>	<b>107 876</b>	<b>1 488</b>	<b>109 444</b>	<b>3 630</b>	<b>113 074</b>	
Result for the period	-	-	765	765	112	878	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>765</b>	<b>765</b>	<b>112</b>	<b>878</b>	
<b>Transactions with owners</b>							
Dividend distribution	-	-	-3 757	-3 757	-223	-3 980	
Changes in non-controlling interests	-	-	-198	-198	-18	-215	
Share based payments	-	-	5	5	-	5	
<b>Total equity 30 Jun 2023</b>	<b>80</b>	<b>107 876</b>	<b>-1 697</b>	<b>106 259</b>	<b>3 503</b>	<b>109 762</b>	

EUR thousand	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total			
<b>Equity 1 Jan 2022</b>	<b>80</b>	<b>107 876</b>	<b>-1 857</b>	<b>106 099</b>	<b>3 037</b>	<b>109 136</b>	
Result for the period	-	-	1 801	1 801	138	1 939	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1 801</b>	<b>1 801</b>	<b>138</b>	<b>1 939</b>	
<b>Transactions with owners</b>							
Dividend distribution	-	-	-3 757	-3 757	-279	-4 036	
Changes in non-controlling interests	-	-	-38	-38	557	518	
Share based payments	-	-	50	50	-	50	
<b>Total equity 30 Jun 2022</b>	<b>80</b>	<b>107 876</b>	<b>-3 802</b>	<b>104 154</b>	<b>3 453</b>	<b>107 607</b>	

EUR thousand	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital	Reserve for invested unrestricted equity	Retained earnings	Total			
<b>Equity 1 Jan 2022</b>	<b>80</b>	<b>107 876</b>	<b>-1 857</b>	<b>106 099</b>	<b>3 037</b>	<b>109 136</b>	
Result for the period	-	-	7 156	7 156	316	7 472	
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>7 156</b>	<b>7 156</b>	<b>316</b>	<b>7 472</b>	
<b>Transactions with owners</b>							
Dividend distribution	-	-	-3 757	-3 757	-279	-4 036	
Changes in non-controlling interests	-	-	-38	-38	557	518	
Share based payments	-	-	-16	-16	-	-16	
<b>Total equity 31 Dec 2022</b>	<b>80</b>	<b>107 876</b>	<b>1 488</b>	<b>109 444</b>	<b>3 630</b>	<b>113 074</b>	

# Notes to the Half-Year Report

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

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

## Basis of preparation

Eezy Plc has prepared this Half-Year Report in accordance with IAS 34 Interim Financial Reporting. The financial information in the Half-Year Report has been prepared in accordance with International Financial Reporting Standards (IFRS) and the accounting policies comply with the IFRS standards and IFRIC interpretations effective as at 30 June 2023. The accounting policies in the Half-Year Report are the same as in Financial Statements 2022.

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

## Accounting estimates

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

The business growth and EBITDA used in goodwill impairment testing are based on management's assessment of the future development considering the economic outlook in HR services, the effect of possible sick leaves and the availability of labor in competition in the personnel service and recruitment market. Goodwill is tested regularly for impairment.

## Revenue

Eezy's revenue comprises income from staffing services delivered both by group's own staffing units and through the franchise chain, and from professional services including light entrepreneurship services.

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

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

In the professional services area, Eezy provides consulting services for organizational development, cultural design, and personnel surveys. Eezy also provides recruitment, aptitude testing, training, and executive search services. Additionally, Eezy provides workforce training, coaching, guidance, and rehabilitation services to public sector as well as entrance examination courses and courses for upper secondary school students for private customers.

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

Revenue is reported from 1 January 2023 divided into two service areas: Staffing services and Professional services. The revenue from staffing services includes both the group's own staffing services and the franchise fees. The revenue of professional services includes professional services and light entrepreneurship services.

Revenue by service area:

EUR thousand	1 Apr – 30 Jun 2023	1 Apr – 30 Jun 2022	1 Jan – 30 Jun 2023	1 Jan – 30 Jun 2022	1 Jan – 31 Dec 2022
Staffing services	50 119	59 676	95 515	104 382	219 642
Professional services	8 056	7 610	15 503	13 938	28 396
Common functions and eliminations	-68	-138	-135	-267	-443
<b>Total revenue</b>	<b>58 107</b>	<b>67 148</b>	<b>110 883</b>	<b>118 053</b>	<b>247 596</b>

## Business combinations

### January–June 2023

During review period there were no acquisitions.

### January–June 2022

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 Significant Company Ltd and 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 real competitive advantage. The Significant Company's product, Signi, is the world's first tool for gaining employee understanding and measuring employee experience.

Eezy increased its ownership in Eezy Valmennuskeskus Ltd by 10%, which decreased the contingent consideration related to Eezy Valmennuskeskus by approx. EUR 0.9 million and resulted in financial income of approx. EUR 0.6 million. Eezy Valmennuskeskus Ltd has been consolidated by 100-percent to Eezy Group (IFRS) since initial acquisition date.

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

The acquisitions have been reported in detail in the financial statements for year 2022.

## Businesses sold

### January–June 2023

In May, Eezy sold its share of VeggArt's Oy. Outside of a capital loss from divestment of EUR 0.1 million and an impairment on equity accounted investment of EUR 0.1 million recorded in March, the sale had no significant impact on Eezy's result.

### January–June 2022

During comparative period there were no divestments.

# Intangible assets

EUR thousand	Goodwill	Trademarks	IT software	Customer relationships	Non-competition agreements	Development costs	Total intangible assets
Cost at 1 Jan 2023	141 654	3 692	12 072	28 618	1 622	885	46 889
Additions	-	-	1 162	-	-	163	1 325
<b>Cost at 30 Jun 2023</b>	<b>141 654</b>	<b>3 692</b>	<b>13 234</b>	<b>28 618</b>	<b>1 622</b>	<b>1 046</b>	<b>48 213</b>

Accumulated amortization and impairment at 1 Jan 2023	-	-1 047	-7 594	-9 433	-406	-123	-18 603
Amortization	-	-183	-675	-1 477	-166	-111	-2 613

<b>Accumulated amortization and impairment at 30 Jun 2023</b>	<b>-</b>	<b>-1 230</b>	<b>-8 269</b>	<b>-10 910</b>	<b>-572</b>	<b>-234</b>	<b>-21 216</b>
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Net carrying value at 1 Jan 2023	141 654	2 646	4 477	19 185	1 216	761	28 284
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<b>Net carrying value at 30 Jun 2023</b>	<b>141 654</b>	<b>2 463</b>	<b>4 965</b>	<b>17 708</b>	<b>1 050</b>	<b>812</b>	<b>26 996</b>
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EUR thousand	Goodwill	Trademarks	IT software	Customer relationships	Non-competition agreements	Development costs	Total intangible assets
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	995	-	-	292	1 291
Disposals	-	-	-403	-	-623	-	-1 026
<b>Cost at 30 Jun 2022</b>	<b>141 654</b>	<b>3 693</b>	<b>10 623</b>	<b>28 618</b>	<b>3 805</b>	<b>808</b>	<b>47 547</b>

Accumulated amortization and impairment at 1 Jan 2022	-	-693	-6 691	-6 507	-2 415	-14	-16 320
Disposals	-	-	403	-	623	-	1 026
Amortization	-	-171	-652	-1 448	-510	-53	-2 834

<b>Accumulated amortization and impairment at 30 Jun 2022</b>	<b>-</b>	<b>-864</b>	<b>-6 940</b>	<b>-7 955</b>	<b>-2 302</b>	<b>-67</b>	<b>-18 128</b>
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Net carrying value at 1 Jan 2022	134 054	2 491	2 767	21 297	1 259	501	28 314
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<b>Net carrying value at 30 Jun 2022</b>	<b>141 654</b>	<b>2 830</b>	<b>3 683</b>	<b>20 663</b>	<b>1 503</b>	<b>740</b>	<b>29 422</b>
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EUR thousand	Goodwill	Trademarks	IT software	Customer relationships	Non-competition agreements	Development costs	Total intangible assets
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
<b>Cost at 31 Dec 2022</b>	<b>141 654</b>	<b>3 692</b>	<b>12 072</b>	<b>28 618</b>	<b>1 622</b>	<b>885</b>	<b>46 889</b>

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
<b>Accumulated amortization and impairment at 31 Dec 2022</b>	<b>-</b>	<b>-1 047</b>	<b>-7 594</b>	<b>-9 433</b>	<b>-406</b>	<b>-123</b>	<b>-18 603</b>

Net carrying value at 1 Jan 2022	134 054	2 491	2 767	21 297	1 259	501	28 314
<b>Net carrying value at 31 Dec 2022</b>	<b>141 654</b>	<b>2 646</b>	<b>4 477</b>	<b>19 185</b>	<b>1 216</b>	<b>761</b>	<b>28 284</b>

## 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 2023	884	8 749	1 498	928	102	12 161
Additions	119	-	4	142	66	331
Disposals	-	-16	-	-67	-73	-156
Revaluation	-	163	-	-114	-	49
<b>Cost at 30 Jun 2023</b>	<b>1 003</b>	<b>8 896</b>	<b>1 501</b>	<b>889</b>	<b>95</b>	<b>12 385</b>

Accumulated depreciation and impairment at 1 Jan 2023	-576	-4 246	-1 201	-385	-73	-6 481
Disposals	-	16	-	67	73	156
Depreciation	-61	-1 156	-40	-139	-3	-1 399
<b>Accumulated depreciation and impairment at 30 Jun 2023</b>	<b>-637</b>	<b>-5 387</b>	<b>-1 240</b>	<b>-457</b>	<b>-3</b>	<b>-7 724</b>

Net book value at 1 Jan 2023	307	4 503	297	542	29	5 680
<b>Net book value at 30 Jun 2023</b>	<b>366</b>	<b>3 509</b>	<b>261</b>	<b>432</b>	<b>92</b>	<b>4 661</b>

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	20	2 014	-	135	-	2 169
Disposals	-	-	-73	-	-	-73
Revaluation	-	9	-	-66	-	-57
<b>Cost at 30 Jun 2022</b>	<b>848</b>	<b>9 366</b>	<b>1 466</b>	<b>980</b>	<b>102</b>	<b>12 761</b>

Accumulated depreciation and impairment at 1 Jan 2022	-415	-3 647	-1 098	-229	-73	-5 462
Disposals	-81	-1 070	-45	-146	-	-1 342
<b>Accumulated depreciation and impairment at 30 Jun 2022</b>	<b>-495</b>	<b>-4 717</b>	<b>-1 143</b>	<b>-375</b>	<b>-73</b>	<b>-6 804</b>

Net book value at 1 Jan 2022	413	3 650	383	620	29	5 095
<b>Net book value at 30 Jun 2022</b>	<b>352</b>	<b>4 649</b>	<b>323</b>	<b>605</b>	<b>29</b>	<b>5 959</b>

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
<b>Cost at 31 Dec 2022</b>	<b>884</b>	<b>8 749</b>	<b>1 498</b>	<b>928</b>	<b>102</b>	<b>12 161</b>

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
<b>Accumulated depreciation and impairment at 31 Dec 2022</b>	<b>-576</b>	<b>-4 246</b>	<b>-1 201</b>	<b>-385</b>	<b>-73</b>	<b>-6 481</b>

Net book value at 1 Jan 2022	413	3 650	383	620	29	5 095
<b>Net book value at 31 Dec 2022</b>	<b>307</b>	<b>4 503</b>	<b>297</b>	<b>542</b>	<b>29</b>	<b>5 680</b>

## Financial assets and liabilities measured at fair value

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

EUR thousand	30 Jun 2023		30 Jun 2022		31 Dec 2022	
	Fair value	Level	Fair value	Level	Fair value	Level
Investments in shares, unlisted	240	3	240	3	240	3
Contingent consideration	974	3	1 053	3	1 013	3

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

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

## 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. 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 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. The amount of compensation paid is subject to the achievement levels of the performance targets.

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 ended on 31 March 2023. The fourth 24 months earning period started 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, second and third earning periods.

On 15 March 2023, Eezy Plc's board of directors resolved on the fourth earning period of the long-term incentive plan for the company's key employees. The fourth earning period is 24 months, starting on 1 January 2023 and ending on 31 December 2024. The reward criteria for the fourth earning period are based on Eezy Plc's total shareholder return, operating profit percent and an ESG component. A maximum of 256 000 reward shares could be awarded for the fourth earning period.

## Commitments and contingencies

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

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Liabilities in balance sheet for which collaterals given</b>			
Borrowings, non-current	46 375	50 939	47 614
Borrowings, current	5 267	4 308	4 448
<b>Total</b>	<b>51 643</b>	<b>55 247</b>	<b>52 062</b>

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Mortgages on own behalf</b>			
Company mortgages	100 000	100 000	100 000
<b>Total</b>	<b>100 000</b>	<b>100 000</b>	<b>100 000</b>

## Related party transactions

Transactions and balances with related parties:

<b>EUR thousand</b>	<b>1 Jan – 30 Jun 2023</b>	<b>1 Jan – 30 Jun 2022</b>	<b>1 Jan – 31 Dec 2022</b>
<b>Companies that have significant influence</b>			
Sales	8 022	7 674	16 627
Purchases	-249	-115	-103
Trade receivables and other receivables	4 314	1 976	2 053
Trade payables and other liabilities	3	3	-

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

## Events after the review period

Eezy announced on 7.8.2023 that it will launch a profitability program aiming for 3 million euro annual savings, will renew its strategy and removes the guidance for 2023.

# Key figures, their calculation and reconciliations

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

Alternative performance measures should not be viewed in isolation and they are not substitutes to the key figures presented in the audited financial statements. The companies do not calculate alternative performance measures in a uniform way, and thus the alternative performance measures presented by Eezy may not be comparable with the similarly named key figures presented by other companies.

## Key figures

EUR thousand unless otherwise specified	1 Apr – 30 Jun 2023	1 Apr – 30 Jun 2022	Change %	1 Jan – 30 Jun 2023	1 Jan – 30 Jun 2022	Change %	1 Jan – 31 Dec 2022
<b>Key figures for income statement</b>							
Revenue	58 107	67 148	-13%	110 883	118 053	-6%	247 596
EBITDA	3 114	4 269	-27%	6 553	6 782	-3%	18 231
EBITDA margin, %	5.4%	6.4%	-	5.9%	5.7%	-	7.4%
EBIT	1 098	2 118	-48%	2 441	2 610	-6%	10 004
EBIT margin, %	1.9%	3.2%	-	2.2%	2.2%	-	4.0%
Earnings per share, basic, EUR	0.01	0.07	-	0.03	0.07	-	0.29
Earnings per share, diluted, EUR	0.01	0.07	-	0.03	0.07	-	0.28
Weighted average number of outstanding shares, pcs	25 046 815	25 046 815	-	25 046 815	25 046 815	-	25 046 815
Weighted average number of outstanding shares, diluted, pcs	25 299 189	25 292 815	-	25 289 202	25 292 815	-	25 287 264
Number of outstanding shares at the end of reporting period, pcs	-	-	-	25 046 815	25 046 815	-	25 046 815
<b>Key figures for balance sheet</b>							
Net debt	-	-	-	56 589	60 260	-	52 466
Net debt excluding IFRS16	-	-	-	52 477	54 806	-	47 307
Net debt / EBITDA	-	-	-	3.1 x	3.1 x <sup>1</sup>	-	2.9 x <sup>1</sup>
Gearing, %	-	-	-	51.6%	56.0%	-	46.4%
Equity ratio, %	-	-	-	51.6%	48.9%	-	52.2%
Equity per share, EUR	-	-	-	4.38	4.30	-	4.51
<b>Key figures for cash flow</b>							
Operative free cash flow	3 236	5 345	-	523	3 085	-	13 908
Purchase of tangible and intangible assets	-821	-952	-	-1 470	-1 368	-	-2 998
Acquisition of subsidiaries, net of cash acquired	-	-6 125	-	-	-6 125	-	-6 125
<b>Operative key figures</b>							
Chain-wide revenue, EUR million	81.1	94.1	-14%	155.0	171.1	-9%	351.6
Franchise fees, EUR million	1.3	1.7	-23%	2.6	3.3	-21%	6.3
Light entrepreneurship invoicing volume, EUR million	10.2	10.4	-2%	19.6	19.8	-1%	42.3

<sup>1</sup> EBITDA is based on estimated pro forma EBITDA of last 12 months.

## Reconciliation of Certain Alternative Performance Measures

EUR thousand	1 Apr – 30 Jun 2023	1 Apr – 30 Jun 2022	1 Jan – 30 Jun 2023	1 Jan – 30 Jun 2022	1 Jan – 31 Dec 2022
<b>EBITDA</b>					
EBIT	1 098	2 118	2 441	2 610	10 004
Acquisition related amortization <sup>1</sup>	910	1 092	1 819	2 121	4 061
Other depreciation, amortization and impairment losses	1 106	1 059	2 293	2 051	4 165
Total depreciation, amortization and impairment losses	2 016	2 151	4 112	4 172	8 226
<b>EBITDA</b>	<b>3 114</b>	<b>4 269</b>	<b>6 553</b>	<b>6 782</b>	<b>18 231</b>
<b>Operative free cash flow</b>					
Cash flows from operating activities before financial items and taxes	4 715	6 954	3 302	5 702	19 494
Purchase of tangible and intangible assets	-821	-952	-1 470	-1 368	-2 998
Payment of lease liabilities	-658	-657	-1 308	-1 248	-2 588
<b>Operative free cash flow</b>	<b>3 236</b>	<b>5 345</b>	<b>523</b>	<b>3 085</b>	<b>13 908</b>

<sup>1</sup> 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 fo 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