

Q2

HALF-YEAR REPORT

JANUARY–JUNE 2020

eezy

Quick adaptation to exceptional conditions

In Brief

April–June 2020

- Revenue was EUR 39.0 million (EUR 32.5 million in April–June 2019).
- EBITDA was EUR 1.8 million (3.1).
- EBIT was EUR -0.5 million (2.3).
- Adjusted¹ EBITDA was EUR 1.8 million (3.6).
- Adjusted¹ EBIT was EUR 0.0 million (2.8).
- Earnings per share was EUR -0.03 (0.11).
- Corona crisis has affected the business negatively.

January–June 2020

- Revenue was EUR 94.1 million (EUR 60.9 million in January–June 2019).
- EBITDA was EUR 4.6 million (5.9).
- EBIT was EUR 0.4 million (4.4).
- Adjusted² EBITDA was EUR 4.6 million (6.4).
- Adjusted EBIT was EUR 1.0 million (4.9).
- Earnings per share was EUR -0.02 (0.20).
- Corona crisis has affected the business negatively.

Outlook for 2020

EEZY has on 20 March 2020 cancelled the earlier guidance for year 2020 due to the corona crisis and has not set a new guidance for year 2020. A new guidance will be provided when the company has a better understanding of the duration and effects of the corona virus epidemic.

Key figures (IFRS)

EUR million, unless otherwise specified	4–6/2020	4–6/2019	1–6/2020	1–6/2019	1–12/2019
Revenue	39.0	32.5	94.1	60.9	169.8
EBITDA	1.8	3.1	4.6	5.9	12.6
EBITDA, %	4.6%	9.6%	4.9%	9.7%	7.4%
EBIT	-0.5	2.3	0.4	4.4	8.0
EBIT, %	-1.4%	7.1%	0.5%	7.3%	4.7%
Adjusted EBITDA	1.8	3.6	4.6	6.4	16.4
Adjusted EBITDA, %	4.6%	11.0%	4.9%	10.6%	9.6%
Adjusted EBIT	0.0	2.8	1.0	4.9	11.8
Adjusted EBIT, %	0.0%	8.6%	1.0%	8.1%	6.9%
EPS, undiluted, EUR	-0.03	0.11	-0.02	0.20	0.25
EPS, diluted, EUR	-0.03	-	-0.02	-	0.25
Net debt / Adjusted EBITDA	-	-	2.7 x ³	1.9 x	2.7 x ³
Chain-wide revenue	59.4	62.8	137.4	118.2	285.6

¹ In April–June, EUR 0.5 million write-down of IT systems and EUR 0.02 million in expenses relating to acquisitions, a total of EUR 0.6 million, have been recorded as items affecting comparability. EUR 0.02 million in expenses relating to acquisition have been recorded as items affecting EBITDA and comparability.

² In January–June, EUR 0.5 million write-down of IT systems, a capital gain of EUR 0.05 million from divestment of an equity accounted investment and EUR 0.04 million in expenses relating to acquisitions, a total of EUR 0.5 million, have been recorded as items affecting comparability. A capital gain of EUR 0.05 million from divestment of an equity accounted investment and EUR 0.04 million in expenses relating to acquisitions have been recorded as items affecting EBITDA and comparability.

³ Adjusted EBITDA is based on estimated pro forma EBITDA of last 12 months.

Determined actions in a challenging quarter

"Corona virus has significantly affected both us and our customers. Year 2020 has been characterized by changes due to the virus and the related restrictions for the whole society, customers and us. Corona has significantly weakened our revenue and result. However, we have been able to successfully serve our customers and employees during the whole crisis.

Fast reaction to Corona

When the crisis started in March, we set clear goals for ourselves: we have to react quickly, customer service has to be ensured, and we must take care of our employees' health and the profitability of our business in all situations.

Corona started to impact our operations already in March. The most significant impact during Q2 was in the Horeca sector and in the importing of foreign labor. These businesses practically stopped in spring. We lost over EUR 20 million revenue in Q2 due to that.

In the industrial, construction and logistics sectors the effects have hugely varied by region and customer. The widely-spread temporary layoffs and less than normal amount of summer jobs have affected the demand for our services. These sectors generate normally almost half of our revenue and the impact from Corona has decreased that by 10-15% during H1. The demand in the retail sector and rental doctors has grown and we have been able to increase the business on these sectors.

Recruitment and organizational development business has suffered from Corona, as customers have postponed projects and recruitments, which has also decreased sales potential to new customers. The impact on self-employment business varies by the service sector, but has been negative as whole.

To ensure our service ability and the health of our employees, we immediately started to encourage remote work and made a digi-jump in a record time to ensure our internal operations and customer service. To maintain our performance level we quickly accommodated the group function employees' cost structure to match the business volume in each sector.

Sadly our group employees and staffed employees have paid the largest price for our crisis actions. I am very grateful and proud for our employees' fighting spirit and their eagerness to succeed together.

Operational profitability during the crisis

Quick reaction to the crisis has helped us to overcome moderately well the significant changes to our operations due to corona. So far the direct costs from corona, like sick-leaves, have been surprisingly small. So far also the payment difficulties by customers have not increased very much, but

we have written down receivables by EUR 1.6 million in the second quarter (which we do not report as an extraordinary item).

In the difficult second quarter, our revenue grew by 20% due to acquisitions and was EUR 39.0 million. EBIT was EUR -0.5 million and also includes EUR 0.5 million write-down of IT systems being retired.

Naturally the figures do not match our original targets for the first year-half. But taking into account the huge changes in our environment and the one-time investments (e.g. Eezy brand) and the write-downs, we can be moderately satisfied to the profitability of our underlying business operations.

Eezy integration progresses

We renewed our brand in the early part of this year, and the new Eezy is now visible to our employees and customers in all parts of Finland. I strongly believe that the spiritual unification to one Eezy has been made quicker thanks to the common actions to overcome the crisis. Entrepreneurial, positive and respectful culture has been further strengthened in our professional operations.

We have progressed well in our synergy plans. The salary costs of employees in group functions have clearly decreased. The harmonization of our IT systems has also progressed according to plan. This creates us a reliable basis for our future profitable growth.

Uncertainty will continue

Although the restrictions have been gradually removed and we have been able to restart services for all customer sectors in June, although e.g. Horeca sector has recovered rather slowly. Outlook for the remaining part of the year is still unclear and we can't yet give a concrete profit outlook.

Our customers and markets are still characterized by cautiousness and uncertainty about length of the crisis and a possible second wave. We will continue to react quickly to changing situations, so that we can keep our business profitable while keeping our employees healthy and safe."

" I am proud of our employees' fighting spirit and performance"

Sami Asikainen, CEO



Market review

The HR services market relevant to Eezy's business includes staffing services, recruitment and organizational development services, and self-employment services.

According to an estimate by Eezy's management, the size of the entire HR services market in Finland was EUR 2.8 billion in 2019. The share of staffing services of the entire market was EUR 2.4 billion in 2019, so it was clearly the largest service area. The market size of recruitment and organizational development services was approximately EUR 130 million in 2019. The market size of self-employment services has been estimated to be approximately EUR 190 million.

According to The Private Employment Agencies Association (HPL), the revenue of the largest companies in the staffing service market decreased 30% in May and 15% in January-May. According to HPL, the economic outlook in staffing services continues weak. The management estimates that the recruitment market has decreased compared to the previous year. In the self-employment services market, there has been no significant change in addition to Corona.

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 prevalent.

Corona effects

Corona virus has significantly decreased the volume of the businesses of some of our customers since March. The impact is largest in the Horeca sector that made about one quarter of our pro-forma revenue last year. Horeca sector's recovery may slow down if new restrictions would be implemented. The negative effects will be seen also in the industrial and construction sectors, but the impact is more moderate. The sector generates normally almost half of our revenue, so its development has big impact on us.

There is no certainty on the duration of the crisis and the related restrictions, or on the recovery pace after the crisis, which prevents reliable forecasting of the revenue for the remaining year. The company will adjust the size of the organization to match the needs at each moment. The savings from temporary layoff are seen since the second quarter.

Lengthening of the crisis may increase customers' payment difficulties, which can lead to credit losses. We will pay attention on the customers' payment practices. Our own liquidity is currently good.

The crisis may increase the public sector's employment, which could create new potential for employment services, change management and career coaching services.

Revenue

April-June

Eezy's revenue amounted to EUR 39.0 million (32.5), increasing by 20% compared to the corresponding period in the previous year.

Revenue increased by 31% in the staffing service area due to acquisitions done in 2019. Revenue was clearly below our target due to the impact of the Corona virus especially on Horeca sector. In the recruitment and organizational development service area revenue decreased by 31%. In the self-employment service area, revenue decreased by 24%.

Of the Group's revenue, 98% came from Finland and the rest was generated in Sweden.

Eezy's chain-wide revenue amounted to EUR 59.4 million (62.8) decreasing by 5%. Franchise fees totaled EUR 1.3 million (2.1). The invoicing volume of self-employment services was EUR 9.8 million (12.6).

January-June

Eezy's revenue amounted to EUR 94.1 million (60.9), increasing by 55% compared to the corresponding period in the previous year.

Revenue increased by 70% in the staffing service area due to acquisitions done in 2019. In the recruitment and organizational development service area revenue decreased by 18%. In the self-employment service area, revenue decreased by 12%.

Of the Group's revenue, 98% came from Finland and the rest was generated in Sweden.

Eezy's chain-wide revenue amounted to EUR 137.4 million (118.2) increasing by 16%. Franchise fees totaled EUR 2.7 million (4.0). The invoicing volume of self-employment services was EUR 20.5 million (23.2).

Revenue by service area

EUR million	4-6/2020	4-6/2019	Change %	1-6/2020	1-6/2019	Change %	1-12/2019
Staffing services	35.2	26.9	31%	86.2	50.6	70%	149.4
Franchise fees	1.3	2.1	-39%	2.7	4.0	-34%	7.8
Recruitment and organizational development	1.9	2.8	-31%	3.9	4.8	-18%	9.4
Self-employment	0.6	0.8	-24%	1.3	1.5	-12%	3.2
Total	39.0	32.5	20%	94.1	60.9	55%	169.8

Result

April-June

EBITDA was EUR 1.8 million (3.1). Operating profit was EUR -0.5 million (2.3). Negative impact of Corona was visible in all business areas. The profitability in recruitment and organizational development was weak as customers postponed projects due to Corona. The costs related to brand renewal and IT development have contributed negatively to the result by approx. EUR 0.5 million. Temporary layoffs of employees in group functions on average for four weeks had positive impact on profit. A write-down of approx. EUR 1.6 million was made to receivables.

Adjusted operating profit was EUR 0.0 million (2.8). A total of EUR 0.6 million was recorded as items affecting comparability, of which EUR 0.5 was write-down of IT systems, and EUR 0.02 million expenses relating to acquisitions.

The result before taxes was EUR -1.0 million (2.1) and the result for the period was EUR -0.7 million (1.7). Earnings per share was EUR -0.03 (0.11).

January-June

EBITDA was EUR 4.6 million (5.9). Operating profit was EUR 0.4 million (4.4). Negative impact of Corona started to show in increasing amounts in March. Of the high-margin businesses, franchise fees fell from last year, and the profitability in recruitment and organizational development was weak. The costs related to brand renewal and IT development have contributed negatively to the result by approx. 1.0 million euro. In second quarter, temporary layoffs of employees in group functions had positive impact on profit. A write-down of approx. EUR 1.6 million was made to receivables.

Adjusted operating profit was EUR 1.0 million (4.9). EUR 0.5 million write-down of IT systems, a capital gain of EUR 0.05 million from divestment of an equity accounted investment and EUR 0.04 in expenses relating to acquisitions, a total of EUR 0.5 million, have been recorded as items affecting comparability.

The result before taxes was EUR -0.3 million (4.1) and the result for the period was EUR -0.2 million (2.9). Earnings per share was EUR -0.02 (0.20).

Financial position and cash flow

Eezy's consolidated balance sheet on June 30, 2020 amounted to EUR 212.8 million (106.6), of which equity made up EUR 101.1 million (52.6).

As of June 30, 2020, the Group has liabilities to credit institutions amounting to EUR 55.0 million (25.8), of which EUR 50.7 (25.7) was non-current. A short-term debt of EUR 1.7 million to NoHo Partners was paid during the period.

Cash balance was 21.3 million euro on June 30, 2020 (5.6). The Group has overdraft facilities in total of EUR 10.0 million, all of which were unused on June 30, 2020. Relaxed due dates of pension payments and periodical taxes have improved the cash position.

Equity ratio stood at 47.5% (49.3%). The Group's net debt including IFRS16 leasing items on June 30, 2020 amounted to EUR 38.1 million (23.8). Net debt excluding IFRS16 leasing items was EUR 34.0 million (21.5). The net debt/adjusted EBITDA ratio was 2.7 x (1.9 x).

Operative free cash flow amounted to EUR 15.5 million (1.1) in April-June and EUR 18.6 million (3.6) in January-June.

Investments and acquisitions

Eezy's investments in subsidiary shares presented in the cash flow statement amounted to EUR 0.3 million (3.8) in April-June and EUR 0.6 million (10.6) in January-June, and include mainly additional purchase prices relating to earlier acquisitions.

Investments in tangible and intangible assets totaled EUR 0.5 million (0.3) in April-June and EUR 0.9 million (0.6) in January-June. Investments in tangible and intangible assets were mainly related to IT investments as well as office premises.

Employees

Eezy employs people in Group functions and as staffed employees assigned to customer companies. In April–June 2020, Eezy employed an average of 383 and January–June 379 on average (in October–December 2019 an average of 402) people in Group functions and on average 2,910 in April–June and 3,430 in January–June (in October–December 2019 an average of 4,337) 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 self-employment services are not included in the Group's personnel numbers.

Shares and shareholders

On June 30, 2020, Eezy Plc had 24,849,375 (14,799,198) registered shares. The company holds no treasury shares. The company had 2,254 (1,120) shareholders, including nominee registered shareholders.

Trading in Eezy's share on Nasdaq Helsinki's First North marketplace began in June 2018. In January–June 2020, a total of 1,835,793 (767,808) shares were traded in the Helsinki stock exchange and the total trading volume was EUR 8.8 million (3.6). During the period, the highest quotation was EUR 7.35 (5.40) and the lowest EUR 2.58 (3.60). The volume-weighted average price of the share was EUR 4.78 (4.65). The closing price of the share at the end of June was EUR 3.87 (4.94) and the market value stood at EUR 96.2 million (73.1).

The company announced in February that it has initiated investigation on the possibility of transferring to the main list. The investigation continues.

On June 30, 2020, the members of the Board of Directors and the members of the management team owned a total of 1,048,351 (823,058) Eezy shares, corresponding to approximately 4.2% (5.6%) of shares and of the votes to which they entitle. The share numbers include the direct holdings of the persons in question and their controlled companies. In addition, Board members are employed in managerial duties by significant shareholders.

Ten largest shareholders as of June 30, 2020:

Shareholder	Shares	%
1. Noho Partners Oyj	7,520,910	30.27
2. Sentica Buyout V Ky	6,105,458	24.57
3. Meissa-Capital Oy	3,223,071	12.97
4. Asikainen Sami	404,350	1.63
4. Evli Suomi Pienyhtiöt Fund	392,517	1.58
6. Taaleritehdas Mikro Markka Osake	380,000	1.53
7. Ilmarinen Mutual Pension	274,261	1.10
8. Oy Jobinvest Ltd	259,835	1.05
9. Laine Capital Oy	256,785	1.03
10. Sentica Buyout V Co-Investment Ky	253,068	1.02
10 largest in total	19,070,255	76.74
Nominee-registered	1,842,828	7.42
Others	3,936,292	15.84
Total	24,849,375	100.00

Governance

Annual General Meeting

The Annual General Meeting (AGM) was held on April 21, 2020. The AGM adopted the Financial Statements for the year 2019.

The AGM decided that no dividends be distributed based on the balance sheet to be adopted for 2019 by a resolution of the general meeting, but that the board of directors be authorised to decide on the distribution of dividends from the company's unrestricted equity in one or more tranches so that the amount of dividends to be distributed does not exceed a total of EUR 0.20/share. The board has not used the authorization.

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

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

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

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

Valid authorizations

The authorizations given by the AGM on 21.4.2020 are described in detail in the company announcement 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 2,400,000 shares. The shares are repurchased in trading organized by Nasdaq Helsinki Oy at a price formed in public trading on the date of repurchase. The authorisation is valid until the end of the annual general meeting of 2021, however, for a maximum of 18 months.

The AGM authorised the board of directors to decide, in one or more tranches, on the issuance of shares as well as on the issuance of option rights and other special rights entitling to shares as referred to in chapter 10(1) of the Finnish Limited Liability Companies Act. The total maximum number of shares to be issued under the authorisation shall be 4,800,000 shares. The authorisation is valid until the end of the annual general meeting of 2021, however, for a maximum of 18 months.

Risks and uncertainties

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

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

Poor economic development in Finland may have an indirect adverse impact on Eezy's business and result. In economic downturn it is possible that companies use less staffing services and other HR services offered by Eezy. Material short-term risks also include tighter competition in the HR and recruitment market, changes in legislation or collective agreements, and the cyclical nature of the business.

There are also significant risks related to acquisitions. If the performance of the acquired company does not match expectations, the integration fails, or other targets set for

the acquisition are not reached, there may be material effects for Eezy's profitability and financial position.

More information about risk management is available on the company website

Guidance for 2020

Due to the Corona virus, Eezy has not given guidance for year 2020.

Eezy Plc
Board of Directors

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Result publication event:

A Finnish-language briefing for analysts and media will be held on August 11, 2020 at 12.00 in the company premises at Itämerenkatu 3, Helsinki, and can be followed as a webcast at

<https://eezy.videosync.fi/2020-q2-tulokset>

The briefing will be hosted by CEO Sami Asikainen 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://sijoittajat.eezy.fi/en/investors/reports-and-presentations/> before the conference. A recording of the audiocast will be available at the same website later.

Result dates

Interim report January-September 2020

10.11.2020

Consolidated statement of comprehensive income (IFRS)

(unaudited)

EUR thousand	1 Apr – 30 Jun 2020	1 Jan – 30 Jun 2019	1 Apr – 30 Jun 2020	1 Jan – 30 Jun 2019	1 Jan – 31 Dec 2019
Revenue	39,048	32,539	94,139	60,892	169,784
Other operating income	165	58	293	447	653
Share of result of equity accounted investments	-	-17	-1	-21	-21
Materials and services	-880	-420	-2,439	-818	-2,531
Personnel expenses	-31,251	-26,447	-77,199	-49,266	-139,374
Other operating expenses	-5,292	-2,604	-10,210	-5,320	-15,925
Other depreciation, amortization and impairment losses	-1,370	-624	-2,216	-1,213	-2,915
IFRS3 amortization	-963	-161	-1,926	-284	-1,645
Operating profit	-542	2,325	442	4,417	8,022
Financial income	35	6	99	12	71
Financial expense	-458	-188	-829	-346	-1,349
Financial income and expenses	-423	-181	-730	-334	-1,279
Profit before taxes	-965	2,144	-288	4,083	6,743
Income taxes	255	-483	59	-1,172	-2,091
Profit for the period	-710	1,661	-230	2,912	4,652
Other comprehensive income:					
Items that will not be reclassified to profit or loss					
Changes in the fair value of share investments	49	-0	-157	1	71
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translating foreign operations	6	-3	-0	-6	-5
Other comprehensive income for the period, net of tax	56	-3	-157	-5	66
Total comprehensive income for the period	-654	1,658	-387	2,906	4,718
Profit attributable to:					
Owners of the parent company	-820	1,661	-409	2,912	4,540
Non-controlling interests	110	-	179	-	113
Profit for the period	-710	1,661	-230	2,912	4,652
Total comprehensive income attributable to:					
Owners of the parent company	-764	1,658	-568	2,906	4,606
Non-controlling interests	110	-	182	-	113
Total comprehensive income for the period	-654	1,658	-387	2,906	4,718
Earnings per share, basic (EUR)	-0.03	0.11	-0.02	0.20	0.25
Earnings per share, diluted (EUR)	-0.03	-	-0.02	-	0.25

Consolidated balance sheet (IFRS)

EUR thousand	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
ASSETS			
Non-current assets			
Goodwill	125,802	68,940	125,757
Intangible assets	29,570	6,754	32,169
Property, plant and equipment	6,372	2,986	6,780
Equity accounted investments	0	85	85
Share investments	492	187	701
Receivables	1,460	360	1,928
Deferred tax asset	1,577	564	275
Total non-current assets	165,272	79,877	167,696
Current assets			
Trade receivables and other receivables	25,505	20,815	35,482
Current income tax receivables	739	277	739
Fund investments	-	44	-
Cash and cash equivalents	21,292	5,622	5,710
Total current assets	47,536	26,758	41,931
TOTAL ASSETS	212,808	106,635	209,626
EQUITY AND LIABILITIES			
Equity attributable to the owners of the parent company			
Share capital	80	80	80
Reserve for invested unrestricted equity	106,572	58,002	106,572
Fair value reserve	-82	5	75
Translation differences	-54	-80	-53
Retained earnings	-6,223	-5,443	-5,864
Total equity attributable to the owners of the parent company	100,293	52,563	100,809
Non-controlling interests	854	-	1,024
Total equity	101,147	52,563	101,833
Non-current liabilities			
Borrowings	53,341	26,996	54,186
Other liabilities	100	405	63
Deferred tax liability	5,671	903	6,038
Total non-current liabilities	59,112	28,304	60,286
Current liabilities			
Borrowings	5,797	1,040	5,578
Trade payables and other liabilities	45,054	24,212	40,767
Current income tax liabilities	1,699	516	1,163
Total current liabilities	52,549	25,768	47,508
Total liabilities	111,661	54,072	107,793
Total equity and liabilities	212,808	106,635	209,626

Consolidated cash flow statement (IFRS)

EUR thousand	1 Apr – 30 Jun 2020	1 Apr – 30 Jun 2019	1 Jan – 30 Jun 2020	1 Jan – 30 Jun 2019	1 Jan – 31 Dec 2019
Cash flows from operating activities					
Customer payments received	44,654	30,895	103,447	58,540	175,986
Cash paid to suppliers and employees	-28,655	-29,494	-83,965	-54,342	-161,234
	15,999	1,401	19,482	4,198	14,752
Interest paid	-425	-121	-479	-232	-1,639
Dividends received	-	1	-	2	2
Interest received	14	4	31	36	65
Other financial items	19	-4	33	-94	-182
Income taxes paid	-19	-507	-1,034	-1,050	-1,677
Loans granted	-21	-8	-21	-12	-192
Proceeds from repayments of loans	15	1	50	1	193
Net cash from operating activities	15,583	767	18,062	2,848	11,323
Cash flows used in investing activities					
Purchase of tangible and intangible assets	-509	-317	-862	-561	-1,691
Proceeds from sale of tangible assets	102	42	192	143	266
Acquisition of subsidiaries, net of cash acquired	-300	-3,800	-568	-10,579	-11,417
Disposal of subsidiaries	-	-	-	660	760
Disposal of equity accounted investments	-	-	135	-	-
Purchase of investments	-	-	38	-	44
Proceeds from repayments of loans	2	2	4	398	402
Addition / deduction of current investments	-	-	-	-	-343
Net cash used in investing activities	-706	-4,074	-1,062	-9,939	-11,980
Cash flows used in / from financing activities					
Proceeds from share issue	-	-	-	1	1
Change in non-controlling interests	-31	-	-54	-	-23
Proceeds from current borrowings	-	13	-	13	
Repayment of current borrowings	-14	-25	-69	-66	-6,969
Proceeds from non-current borrowings	-	32	-	6,032	62,339
Repayment of non-current borrowings	-	-6	-79	-31	-51,426
Payment of lease liabilities	-479	-321	-923	-688	-1,516
Dividends paid	-294	-1,184	-294	-1,184	-4,677
Net cash used in / from financing activities	-818	-1,491	-1,419	4,078	-2,269
Net change in cash and cash equivalents	14,059	-4,798	15,581	-3,012	-2,926
Cash and cash equivalents at the beginning of the reporting period	7,224	10,425	5,710	8,645	8,645
Effects of exchange rate changes	10	-5	1	-11	-10
Cash and cash equivalents at the end of the reporting period	21,292	5,622	21,292	5,622	5,710

Changes in equity

EUR thousand	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Reserve for unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total		
Equity January 1, 2020	80	106,572	75	-53	-5,864	100,809	1,024	101,833
Result for the period	-	-	-	-	-409	-409	179	-230
Other comprehensive income:								
Change in fair value	-	-	-157	-	-	-157	-	-157
Translation differences	-	-	-	-1	0	-0	-	-0
Total comprehensive income	-	-	-157	-1	0	-157	-	-157
Transactions with owners								
Dividend distribution	-	-	-	-	-	-	-294	-294
Changes in non-controlling interests	-	-	-	-	-4	-4	-59	-63
Share based payments	-	-	-	-	52	52	-	52
Other changes	-	-	-	-	1	1	1	2
Total equity June 30, 2020	80	106,572	-82	-54	-6,223	100,293	854	101,147

EUR thousand	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Reserve for unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total		
Equity January 1, 2019	80	58,002	4	-7	-7,261	50,818	-	50,818
Result for the period	-	-	-	-	2,912	2,912	-	2,912
Other comprehensive income:								
Change in fair value	-	-	1	-	-	1	-	1
Translation differences	-	-	-	-73	68	-6	-	-6
Total comprehensive income	-	-	1	-73	2,979	2,906	-	2,906
Transactions with owners								
Dividend distribution	-	-	-	-	-1,184	-1,184	-	-1,184
Other changes	-	-	-	-	22	22	-	22
Total equity June 30, 2019	80	58,002	5	-80	-5,443	52,563	-	52,563

EUR thousand	Attributable to the owners of the parent						Non-controlling interests	Total equity
	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total		
Equity January 1, 2019	80	58,002	4	-7	-7,261	50,818	-	50,818
Profit for the period	-	-	-	-	4,540	4,540	113	4,652
Other comprehensive income:								
Change in fair value	-	-	71	-	-	71	-	71
Translation differences	-	-	-	-46	41	-5	-	-5
Total comprehensive income	-	-	71	-46	4,581	4,606	113	4,718
Transactions with owners								
Dividend distribution	-	-	-	-	-3,197	-3,197	-	-3,197
Repayment of capital	-	-1,480	-	-	-	-1,480	-	-1,480
Share issue	-	50,050	-	-	-	50,050	-	50,050
Share based payments	-	-	-	-	4	4	-	4
Acquisitions	-	-	-	-	-	-	911	911
Other changes	-	-	-	-	9	9	-	9
Total equity December 31, 2019	80	106,572	75	-53	-5,864	100,809	1,024	101,833

Notes to the Half-Year Report

Eezy Group provides versatile staffing services and assists employees and employers to find each other. Eezy builds up a working life of dreams together with its employees and customers.

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 Financial Statements Review 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 June 30, 2020. The accounting policies in the Half-Year Report are the same as in Financial Statement 2019.

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.

There is no certainty on the duration of the Corona virus crisis and the related restrictions, or on the recovery pace after the crisis, which prevents reliable forecasting of the revenue for the remaining year.

Goodwill is tested regularly for impairment. No indications of impairment have been noticed in the Half-Year Report.

Revenue

Eezy's revenue comprises income from staffing services, recruitment and organizational development services and self-employment services.

In staffing services, Eezy signs a contract with the customer, in which Eezy provides the customer the resources agreed. The customer receives the employees it requires and Eezy invoices the customers based on the contract. 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. Employee contracts are mainly fixed-term contracts, made for varying customer needs and the length of the contract varies from customer to customer. 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 provides business support services to their customers. Franchising revenue comprises charges based on cooperation agreements.

In the recruitment and organizational development service area, Eezy provides recruitment, aptitude testing, training and development and executive search services to its customers. Additionally, Eezy provides services for organizational development and personnel surveys.

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

Revenue by service area:

EUR thousand	1 Apr – 30 Jun 2020	1 Apr – 30 Jun 2019	1 Jan – 30 Jun 2020	1 Jan – 30 Jun 2019	1 Jan – 31 Dec 2019
Staffing services	35,243	26,851	86,221	50,601	149,410
Franchise-payments	1,261	2,076	2,673	4,035	7,836
Recruitment and organizational development	1,932	2,810	3,939	4,778	9,355
Self-employment services	612	801	1,306	1,478	3,183
Total revenue	39,048	32,539	94,139	60,892	169,784

Business combinations

Acquisitions in 1–6/2020

Eezy purchased all the shares of Hazana Oy on January 1, 2020. Hazana Oy was previously part of the Eezy franchise chain. Acquisition had no significant impact on the revenue and result of Eezy group in January–June 2020.

In March, Eezy established Eezy United Oy together with minority shareholders. Eezy United shall start employing both current and former athletes. Establishment had no significant impact on the revenue and result of Eezy Group in January–June 2020.

Acquisitions in 1–6/2019

Eezy strengthened its position in the staffing services in the retail industry by acquiring Henkilöstöratkaisu Extraajat Oy. Eezy purchased 100% of the shares. Henkilöstöratkaisu Extraajat Oy offers staffing services nationwide and focuses especially on the customers and employees in the retail industry. Extraajat Oy has been consolidated to Eezy group since February 1, 2019.

Eezy expanded its service offering by acquiring Corporate Spirit Ltd, which is a company that specializes in employee, management and expert surveys as well as organizational development. Corporate Spirit has been consolidated to Eezy group since April 1, 2019. Additional purchase price of EUR 0.3 million was paid in May 2020, exceeding the originate estimate by EUR 0.05 million.

The acquisitions have been reported in detail in the financial statements for year 2019.

Businesses sold

Divestments in 1–6/2020

Eezy sold its share of Enjoy Festival Oy on January 31, 2020. Outside of profit from the sale, EUR 0.1 million, the sale had no significant impact on Eezy's result in January–June 2020.

Divestments in 1–6/2019

Eezy sold Alina Hoivatiimi Oy to Norlandia Care Oy in February 2019. Alina is a nationwide franchise chain offering home care, domestic work and home medical care services. Alina Group's revenue in 2018 was EUR 1.5 million and EBITDA EUR 0.2 million. The debt-free cash consideration was EUR 1.5 million. Outside of profit from the sale, EUR 0.3 million, the sale had no significant impact on Eezy's result in January–June 2019.

Intangible assets

EUR thousand	Goodwill	Trademarks	IT software	Customer relationships	Non-competition agreements	Advances paid	Total intangible assets
Cost at January 1, 2020	125,757	2,596	5,808	26,500	2,956	56	37,916
Translation differences	-0	-	-	-	-	-	-
Acquisitions	45	-	-	-	-	-	-
Additions	-	16	456	-	-	-	472
Transfers between classes	-	-	-	-	-	-50	-50
Cost at June 30, 2020	125,802	2,612	6,264	26,500	2,956	6	38,338

Accumulated amortization and impairment at January 1, 2020	-	-160	-3,977	-1,114	-496	-	-5,747
Disposals	-	-129	-541	-1,326	-493	-	-2,489
Impairment	-	-	-531	-	-	-	-531
Accumulated amortization and impairment at June 30, 2020	-	-290	-5,050	-2,440	-988	-	-8,767

Net carrying value at January 1, 2020	125,757	2,436	1,831	25,386	2,460	56	32,169
Net carrying value at June 30, 2020	125,802	2,322	1,215	24,060	1,967	6	29,570

EUR thousand	Goodwill	Trademarks	IT software	Customer relationships	Non-competition agreements	Advances paid	Total intangible assets
Cost at January 1, 2019	59,905	319	4,800	1,670	382	5	7,175
Translation differences	-1	-	-	-	-	-	-
Acquisitions	9,035	188	18	2,271	391	19	2,887
Additions	-	-	483	-	-	-	406
Disposals	-	-	-52	-	-	-	-52
Cost at June 30, 2019	68,940	506	5,249	3,941	772	24	10,416

Accumulated amortization and impairment at January 1, 2019	-	-37	-2,926	-9	-6	-	-2,978
Disposals	-	-	8	-	-	-	8
Amortization	-	-24	-455	-171	-118	-	-768
Accumulated amortization and impairment at June 30, 2019	-	-61	-3,373	-181	-124	-	-3,739

Net carrying value at January 1, 2019	59,905	282	1,874	1,661	375	5	4,197
Net carrying value at June 30, 2019	68,940	446	1,876	3,760	648	24	6,754

EUR thousand	Goodwill	Trademarks	IT software	Customer relationships	Non-competition agreements	Advances paid	Total intangible assets
Cost at January 1, 2019	59,905	319	4,800	1,670	382	5	7,175
Translation differences	-1	-	-	-	-	-	-
Acquisitions	65,853	2,218	69	24,830	2,574	51	29,742
Additions	-	60	991	-	-	-	1,051
Disposals	-	-	-52	-	-	-	-52
Cost at December 31, 2019	125,757	2,596	5,808	26,500	2,956	56	37,916
Accumulated amortization and impairment at January 1, 2019	-	-37	-2,926	-9	-6	-	-2,978
Disposals	-	-	8	-	-	-	8
Amortization	-	-124	-1,060	-1,105	-489	-	-2,777
Accumulated amortization and impairment at December 31, 2019	-	-160	-3,977	-1,114	-496	-	-5,747
Net carrying value at January 1, 2019	59,905	282	1,874	1,661	375	5	4,197
Net carrying value at December 31, 2019	125,757	2,436	1,831	25,386	2,460	56	32,169

Property, plant and equipment

EUR thousand	Buildings	Buildings, right-of-use	Machinery and equipment	Machinery and equipment, right-of-use	Other	Advances paid	Total
Cost at January 1, 2020	962	6,409	1,947	388	102	557	10,366
Translation differences	-	-1	-0	-1	-	-	-2
Additions	53	161	23	101	-	481	819
Disposals	-	-	-190	-	-	-77	-267
Revaluation	-	163	-	0	-	-	163
Cost at June 30, 2020	1,014	6,732	1,780	489	102	960	11,077
Accumulated depreciation and impairment at January 1, 2020	-532	-2,017	-753	-233	-51	-	-3,585
Translation differences	-	0	0	-0	-	-	0
Depreciation	-58	-856	-132	-52	-23	-	-1,121
Accumulated depreciation and impairment at June 30, 2020	-589	-2,873	-884	-285	-73	-	-4,704
Net book value at January 1, 2020	430	4,392	1,194	155	52	557	6,780
Net book value at June 30, 2020	425	3,859	895	204	29	960	6,372

EUR thousand	Buildings	Buildings, right-of-use	Machinery and equipment	Machinery and equipment, right-of-use	Other	Advances paid	Total
Cost at January 1, 2019	516	3,009	1,106	381	100	-	5,113
Translation differences	-	-6	-1	-5	-	-	-12
Acquisitions	-	199	203	-	2	-	402
Additions	-	746	48	-	-	-	794
Subsidiaries sold	-	-	-	-13	-	-	-13
Disposals	-	-746	-80	-	-	-	-826
Revaluation	-	45	-	-	-	-	45
Cost at June 30, 2019	516	3,248	1,276	362	102	-	5,504
Accumulated depreciation and impairment at January 1, 2019	-500	-692	-484	-123	-23	-	-1,822
Translation differences	-	1	1	1	-	-	3
Subsidiaries sold	-	-	-	23	-	-	23
Depreciation	-	-545	-91	-74	-14	-	-724
Accumulated depreciation and impairment at June 30, 2019	-500	-1,236	-574	-174	-37	-	-2,522
Net book value at January 1, 2020	17	2,317	622	258	77	-	3,291
Net book value at June 30, 2019	17	2,012	702	188	66	-	2,986

EUR thousand	Buildings	Buildings, right-of-use	Machinery and equipment	Machinery and equipment, right-of-use	Other	Advances paid	Total
Cost at January 1, 2019	516	3,009	1,106	381	100	-	5,113
Translation differences	-	-3	-1	-3	-	-	-7
Acquisitions	272	1,577	877	15	2	325	3,069
Additions	174	2,495	176	9	-	231	3,085
Subsidiaries sold	-	-	-	-13	-	-	-13
Disposals	-	-746	-212	-	-0	-	-958
Revaluation	-	77	-	-	-	-	77
Cost at December 31, 2019	962	6,409	1,947	388	102	557	10,366
Accumulated depreciation and impairment at January 1, 2019	-500	-692	-484	-123	-23	-	-1,822
Translation differences	-	0	1	0	-	-	1
Subsidiaries sold	-	-	-	23	-	-	23
Disposals	-	-	-1	-	-	-	-1
Depreciation	-32	-1,325	-268	-134	-28	-	-1,786
Accumulated depreciation and impairment at December 31, 2019	-532	-2,017	-753	-233	-51	-	-3,585
Net book value at January 1, 2020	17	2,317	622	258	77	-	3,291
Net book value at December 31, 2019	430	4,392	1,194	155	52	557	6,780

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	Jun 30, 2020		Jun 30, 2019		Dec 31, 2019	
	Fair value	Level	Fair value	Level	Fair value	Level
Share investments, listed	252	1	9	1	458	1
Share investments, unlisted	240	3	178	3	243	3
Fund investments	-	2	44	2	-	2
Contingent consideration	249	3	1,349	3	943	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.

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	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Liabilities in balance sheet for which collaterals given			
Borrowings, non-current	50,743	25,693	51,040
Borrowings, current	4,249	76	4,069
Total	54,992	25,769	55,109

EUR thousand	Jun 30, 2020	Jun 30, 2019	Dec 31, 2019
Mortgages on own behalf			
Company mortgages	100,000	40,400	100,000
Property, plant and equipment	59	202	174
Total	100,059	40,602	100,174

Events after the review period

No events after the review period.

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 2020	1 Apr – 30 Jun 2019	Change %	1 Jan – 30 Jun 2020	1 Jan – 30 Jun 2019	Change %	1 Jan – 31 Dec 2019
Key figures for income statement							
Revenue	39,048	32,539	20%	94,139	60,892	55%	169,784
EBITDA	1,791	3,110	-42%	4,584	5,914	-22%	12,586
EBITDA margin, %	4.6%	9.6%	-	4.9%	9.7%	-	7.4%
EBIT	-542	2,325	-123%	442	4,417	-90%	8,022
EBIT margin, %	-1.4%	7.1%	-	0.5%	7.3%	-	4.7%
Items affecting comparability	550	468	-	519	529	-	3,777
Items affecting EBITDA and comparability	19	468	-	-12	529	-	3,777
Adjusted EBITDA	1,810	3,578	-49%	4,572	6,443	-29%	16,363
Adjusted EBITDA margin, %	4.6%	11.0%	-	4.9%	10.6%	-	9.6%
Adjusted EBIT	8	2,793	-100%	961	4,946	-81%	11,799
Adjusted EBIT margin, %	0.0%	8.6%	-	1.0%	8.1%	-	6.9%
Earnings per share, basic, EUR	-0.03	0.11	-	-0.02	0.20	-	0.25
Earnings per share, diluted, EUR	-0.03	-	-	-0.02	-	-	0.25
Weighted average number of outstanding shares, pcs	24,849,375	14,799,198	-	24,849,375	14,799,198	-	18,296,109
Weighted average number of outstanding shares, diluted, pcs	24,986,585	-	-	24,986,585	-	-	18,301,372
Number of outstanding shares at the end of reporting period, pcs	-	-	-	24,849,375	14,799,198	-	24,849,375
Key figures for balance sheet							
Net debt	-	-	-	38,094	23,763	-	56,513
Net debt excluding IFRS16	-	-	-	33,969	21,495	-	51,887
Net debt / Adjusted EBITDA (net leverage)	-	-	-	2.7 x ¹	1.9 x	-	2.7 x ¹
Gearing, %	-	-	-	37.7%	45.2%	-	55.5%
Equity ratio, %	-	-	-	47.5%	49.3%	-	48.6%
Equity per share, EUR	-	-	-	4.07	3.55	-	4.10

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

EUR thousand, unless otherwise specified	1 Apr – 30 Jun 2020	1 Apr – 30 Jun 2019	Change %	1 Jan – 30 Jun 2020	1 Jan – 30 Jun 2019	Change %	1 Jan – 31 Dec 2019
Key figures for cash flow							
Operative free cash flow	15,490	1,084	-	18,620	3,637	-	13,061
Purchase of tangible and intangible assets	-509	-317	-	-862	-561	-	-1,691
Acquisition of subsidiaries, net of cash acquired	-300	-3,800	-	-568	-10,579	-	-11,417
Operative key figures							
Chain-wide revenue, EUR million	59.4	62.8	-5%	137.4	118.2	16%	285.6
Franchise-fees, EUR million	1.3	2.1	-39%	2.7	4.0	-34%	7.8
Self-employment invoicing volume, EUR million	9.8	12.6	-23%	20.5	23.2	-12%	49.9

Reconciliation of Certain Alternative Performance Measures

EUR thousand	1 Apr – 30 Jun 2020	1 Apr – 30 Jun 2019	1 Jan – 30 Jun 2020	1 Jan – 30 Jun 2019	1 Jan – 31 Dec 2019
EBITDA and adjusted EBITDA					
EBIT	-542	2,325	442	4,417	8,022
Depreciation, amortization and impairment losses	2,333	785	4,142	1,497	4,564
EBITDA	1,791	3,110	4,584	5,914	12,586
Items affecting EBITDA and comparability	19	468	-12	529	3,777
Adjusted EBITDA	1,810	3,578	4,752	6,443	16,363
Adjusted EBIT					
EBIT	-542	2,325	442	4,417	8,022
Items affecting comparability	550	468	519	529	3,777
Adjusted EBIT	8	2,793	961	4,946	11,799
Operative free cash flow					
Cash flows from operating activities before financial items and taxes	15,999	1,401	19,482	4,198	14,752
Purchase of tangible and intangible assets	-509	-317	-862	-561	-1,691
Operative free cash flow	15,490	1,084	18,620	3,637	13,061

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
Items affecting comparability	=	Material items outside the scope of ordinary operations relating to, among others, acquisitions, closing of business operations, structural reorganization and significant redundancy costs
Adjusted EBITDA	=	EBITDA + Items affecting EBITDA and comparability
Adjusted EBITDA margin, %	=	Adjusted EBITDA / Revenue x100
Adjusted operating profit (EBIT)	=	Operating profit + Items affecting comparability
Adjusted operating profit margin, %	=	Adjusted 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 the balance sheet

Net debt	=	Interest bearing liabilities - interest-bearing receivables - cash at bank and in hand
Net debt excluding IFRS16	=	Net debt - IFRS 16 items
Net debt / Adjusted EBITDA (net leverage)	=	Net debt / Adjusted 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

Cash flow key figures

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

Operative key figures

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