

# Q1

INTERIM REPORT

JANUARY–MARCH 2020

eezy

# Adapting to Corona crisis has started well

## In Brief

### January-March 2020

- Revenue was EUR 55.1 million (EUR 28.4 million in January-March 2019). Revenue increased by 94,3%.
- EBITDA was EUR 2.8 million (2.8), decreased by 0.4%
- EBIT was EUR 1.0 million (2.1), decreased by 53.0%.
- Adjusted<sup>1</sup> EBITDA was EUR 2.8 million (2.9), decreased by 3.6%.
- Adjusted EBIT was EUR 1.0 million (2.2), decreased by 55.7%.
- Earnings per share was EUR 0.02 (0.08).
- 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	1-3/2020	1-3/2019	Change %	1-12/2019
Revenue	55.1	28.4	94.3%	169.8
EBITDA	2.8	2.8	-0.4%	12.6
EBITDA, %	5.1%	9.9%	-	7.4%
EBIT	1.0	2.1	-53.0%	8.0
EBIT, %	1.8%	7.4%	-	4.7%
Adjusted EBITDA	2.8	2.9	-3.6%	16.4
Adjusted EBITDA, %	5.0%	10.1%	-	9.6%
Adjusted EBIT	1.0	2.2	-55.7%	11.8
Adjusted EBIT, %	1.7%	7.6%	-	6.9%
EPS, undiluted, eur	0.02	0.08	-	0.25
EPS, diluted, eur	0.02	-	-	0.25
Net debt / Adjusted EBITDA	2.9 x <sup>2</sup>	1.8 x	-	2.7 x <sup>2</sup>
Chain-wide revenue	78.6	56.1	40.2%	288.8

<sup>1</sup> In January-March, a total of 0.03 million euro from a capital gain from divestment of an equity accounted investment and expenses relating to acquisitions have been recorded as items affecting comparability.

<sup>2</sup> Adjusted EBITDA is based on pro forma EBITDA of last 12 months.

# Active development despite Corona virus

"We have started the year 2020 in strong development mode to build new Eezy. During the early part of the year we have achieved a lot, although the Corona virus has started to affect us and our customers negatively.

The effects of the Corona virus started to appear in early March, but the magnitude of the effects grew significantly in mid-March when the restrictions by the government started to have impact on our customers. Corona will significantly weaken our financial performance this year both regarding revenue and result.

The impact from Corona is felt especially in the Horeca sector that formed about one quarter of our pro forma revenue last year. As the restaurants have been closed by government and large events have been cancelled, our Horeca business has decreased very significantly. In the industrial and construction sectors the effects have been smaller, so far, but the longer the crisis continues and economy contracts, the more we may see impact also there. On the other hand, in the retail sector we have seen occasional demand spikes from groceries.

We have accommodated to Corona by encouraging remote work in order to ensure continuous operations with as little disturbance as possible. In order ensure our financial performance we are conducting temporary layoffs of all our employees in order to match our cost structure to the current business volume in each sector.

We do not yet know how long this crisis will continue, how deep slump or recession it will cause, and how quickly the economy recovers after the crisis. However, we want to be in full speed once the economic growth starts again.

Corona has not stopped our development actions, and we will develop Eezy in many ways during the year.

At the end of the last year we initiated our brand renewal and have progressed with it during this year, which will be gradually visible to our employees and customers in all parts of Finland. We have also progressed well in harmonizing our IT systems and aim to unify our core systems during the year. We have progressed in our synergy plans and e.g. the salary costs of employees in group functions have clearly decreased.

We have launched new services in the staffing business, e.g. a staffing unit Eezy United, focusing on sportsmen. We will also launch new digital services for our staffed employees.

In the first quarter, our IFRS revenue grew by 94% due to acquisitions and was EUR 55.1 million. EBIT was 1.0 million Euro. Despite the growth, we are not satisfied with the volume and profit development. Market has slowed down in all our businesses, and we did not reach our goals. The first quarter is normally the weakest in the staffing services. Some of our high-margin businesses, like organizational development, have emphasis on the second half of the year. During the quarter we invested in the brand renewal work and initiated actions for accommodating to Corona.

The spring and summer will certainly be difficult, as our customers' businesses have been disturbed due to Corona. Ramping up the Horeca sector from almost standstill may take time, and the negative effects may increase in industrial sectors during summer and autumn. Importing workforce may continue to be difficult.

However, the situation will also create opportunities for us. Corona may change consumer demand in ways that we do not yet know. General uncertainty and the "new normal" may increase customers' interest in flexible workforce. The weakening employment rate will increase the number of potential employees for staffing, and the possible employment-oriented actions from the public sector may increase demand of employment, change management and career coaching services. We will invest in developing these businesses.

Corona will have impact on almost all activities in year 2020, but we aim to overcome this year as a stronger company. The crisis has helped our integration thanks to increased unity. We are actively looking for new business. We will develop our services and practices to serve all our customers even better and more efficiently than earlier in the new business conditions."



" We aim to overcome the corona year 2020 as a stronger company"

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. Correspondingly, 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 grew in January-February by 0.6%, including inorganic growth. According to HPL, the economic situation in staffing services has weakened. 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 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.

The corona crisis may increase the demand for employment services, change management and career coaching services in near future.

## 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. The effects will likely be seen to some extent also in the industrial and construction sectors later in the year.

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 will be 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 good at the moment.

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

## Revenue

Eezy's revenue amounted to EUR 55.1 million (28.4), increasing by 94.3% compared to the corresponding period in the previous year.

Revenue increased by 114.6% in the staffing service area due to acquisitions completed during 2019. In the recruitment and organizational development service area revenue increased by 2.0%, but the unit fell short of its targets. In the self-employment service area, revenue increased by 2.5%.

Of the Group's revenue, 98.4% came from Finland and the rest was generated in Sweden.

Eezy's chain-wide revenue amounted to EUR 78.6 million (56.1) increasing by 40.2%. Franchise fees totaled EUR 1.4 million (2.0). The decrease of franchise fees stems mainly from the Alina divestment. The invoicing volume of self-employment services was EUR 10.7 million (10.5).

### Revenue by service area

EUR million	1-3/2020	1-3/2019	Change %	1-12/2019
Staffing services	51.0	23.8	114.6%	149.4
Franchise fees	1.4	2.0	-27.9%	7.8
Recruitment and organizational development	2.0	2.0	2.0%	9.4
Self-employment	0.7	0.7	2.5%	3.2
<b>Total</b>	<b>55.1</b>	<b>28.4</b>	<b>94.3%</b>	<b>169.8</b>

## Result

EBITDA was EUR 2.8 million (2.8). Operating profit was EUR 1.0 million (2.1). Negative impact of Corona started to show in increasing amounts in March. Of the high-margin businesses, franchise fees fell from last year mainly due to the divestment of Alina, 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. 0.5 million euro.

Adjusted operating profit was EUR 1.0 million (2.2). A capital gain from divestment of a minority shareholding and expenses relating to acquisitions were recorded as items affecting comparability, a total of 0.03 million euro.

The result before taxes was EUR 0.7 million (1.9) and the result for the period was EUR 0.5 million (1.3). Earnings per share was EUR 0.02 (0.08).

## Financial position and cash flow

Eezy's consolidated balance sheet on March 31, 2020 amounted to EUR 206.8 million (105.8), of which equity made up EUR 102.1 million (50.9).

As of March 31, 2020, the Group has liabilities to credit institutions amounting to EUR 55.0 million (25.7), of which EUR 51.0 (25.7) was non-current.

Cash balance was 7.2 million euro on March 31, 2020. The Group has overdraft facilities in total of EUR 10.0 million, all of which were unused on March 31, 2020.

Equity ratio stood at 49.4% (48.1%). The Group's net debt including IFRS16 leasing items on March 31, 2020 amounted to EUR 54.4 million (20.5). Net debt excluding IFRS16 leasing items was EUR 50.0 million (18.1). The net debt/adjusted EBITDA ratio was 2.9 x (1.8 x).

Operative free cash flow amounted to EUR 3.1 million (2.6) in January-March.

## Investments and acquisitions

Eezy's investments in subsidiary shares presented in the cash flow statement amounted to EUR 0.3 million (6.8) in January-March. Investments include mainly additional purchase prices relating to earlier acquisitions.

Investments in tangible and intangible assets totaled 0.4 million (0.2) in January-March. 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 January-March 2020, Eezy employed an average of 374 (in October-December 2019 an average of 402) people in Group functions and on average 3,951 (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 March 31, 2020, Eezy Plc had 24,849,375 (14,799,198) registered shares. The company holds no treasury shares. The company had 2,051 (1,081) shareholders, including nominee registered shareholders.

Trading in Eezy's share on Nasdaq Helsinki's First North marketplace began in June 2018. In January-March 2020, a total of 1,196,938 (1,839,717) shares were traded in the Helsinki stock exchange and the total trading volume was EUR 6.5 million (0.9). During the period, the highest quotation was EUR 7.35 (4.75) and the lowest EUR 2.58 (3.60). The volume-weighted average price of the share was EUR 5.46 (3.96). The closing price of the share at the end of December was EUR 2.96 (4.75) and the market value stood at EUR 73.6 million (70.3).

The company announced in February that it has initiated investigation on the possibility of transferring to the main list. Due to the corona virus the timetable of the possible transfer is open.

On March 31, 2020, the members of the Board of Directors and the members of the management team owned a total of 1,028,351 (883,306) Eezy shares, corresponding to approximately 4.1% (6.0%) 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 March 31, 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. Evli Suomi Pienyhtiöt Fund	412,517	1.66
5. Asikainen Sami	404,350	1.63
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	19,090,255	76.82
Nominee-registered	1,865,392	7.51
Others	3,893,728	15.67
Total	24,849,375	100.00

## Governance

### Annual General Meeting

The Annual General Meeting (AGM) was held after the review period 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 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.

## Events after the review period

Annual General Meeting was held on 21 April 2020.

Eezy Plc  
Board of Directors

### More information:

Sami Asikainen, CEO  
tel. +358 (0)40 700 9915

Hannu Nyman, CFO  
tel. +358 (0)50 306 9913

### Result publication event:

A Finnish-language briefing for analysts and media will be streamed on May 12, 2020 at 10 a.m. as a webcast at <https://eezy.videosync.fi/2020-q1-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://eezy.fi/en/investors/reports-and-presentations/> before the conference. A recording of the audiocast will be available at the same website later on the same day.

### Result dates

Half-year report January-June 2020	11.8.2020
Interim report January-September2020	10.11.2020

# Consolidated statement of comprehensive income (IFRS)

(Unaudited)

EUR thousand	1 Jan – 31 Mar 2020	1 Jan – 31 Mar 2019	1 Jan – 31 Dec 2019
<b>Revenue</b>	<b>55,091</b>	<b>28,353</b>	<b>169,784</b>
Other operating income	128	388	653
Share of result of equity accounted investments	-1	-4	-21
Materials and services	-1,559	-397	-2,531
Personnel expenses	-45,948	-22,820	-139,374
Depreciation, amortization and impairment losses	-1,810	-712	-4,564
Other operating expenses	-4,918	-2,717	-15,925
<b>Operating profit</b>	<b>984</b>	<b>2,092</b>	<b>8,022</b>
Financial income	63	6	71
Financial expense	-371	-159	-1,349
<b>Financial income and expenses</b>	<b>-307</b>	<b>-153</b>	<b>-1,279</b>
<b>Profit (loss) before taxes</b>	<b>677</b>	<b>1,939</b>	<b>6,743</b>
Income taxes	-197	-689	-2,091
<b>Profit (loss) for the period</b>	<b>480</b>	<b>1,251</b>	<b>4,652</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss			
Changes in the fair value of share investments	-206	1	71
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations	-6	-3	-5
<b>Other comprehensive income for the period, net of tax</b>	<b>-213</b>	<b>-2</b>	<b>66</b>
<b>Total comprehensive income for the period</b>	<b>267</b>	<b>1,249</b>	<b>4,718</b>
<b>Profit attributable to:</b>			
Owners of the parent company	411	1,251	4,540
Non-controlling interests	69	-	113
<b>Profit (loss) for the period</b>	<b>480</b>	<b>1,251</b>	<b>4,652</b>
<b>Total comprehensive income attributable to:</b>			
Owners of the parent company	196	1,249	4,606
Non-controlling interests	72	-	113
<b>Total comprehensive income for the period</b>	<b>267</b>	<b>1,249</b>	<b>4,718</b>
Earnings per share, basic (EUR)	0.02	0.08	0.25
Earnings per share, diluted (EUR)	0.02	-	0.25



# Consolidated balance sheet (IFRS)

EUR thousand	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Goodwill	125,800	66,479	125,757
Intangible assets	31,082	6,492	32,169
Property, plant and equipment	6,488	3,076	6,780
Equity accounted investments	-	102	85
Share investments	430	188	701
Receivables	1,718	353	1,928
Deferred tax asset	931	563	275
<b>Total non-current assets</b>	<b>166,449</b>	<b>77,253</b>	<b>167,696</b>
<b>Current assets</b>			
Trade receivables and other receivables	32,350	17,915	35,482
Current income tax receivables	744	184	739
Fund investments	-	44	-
Cash and cash equivalents	7,224	10,425	5,710
<b>Total current assets</b>	<b>40,318</b>	<b>28,569</b>	<b>41,931</b>
<b>TOTAL ASSETS</b>	<b>206,767</b>	<b>105,822</b>	<b>209,626</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	106,572	58,002	106,572
Fair value reserve	-131	5	75
Translation differences	-60	-42	-53
Retained earnings	-5,393	-7,140	-5,864
<b>Total equity attributable to the owners of the parent company</b>	<b>101,067</b>	<b>50,905</b>	<b>100,809</b>
Non-controlling interests	1,067	-	1,024
<b>Total equity</b>	<b>102,134</b>	<b>50,905</b>	<b>101,833</b>
<b>Non-current liabilities</b>			
Borrowings	53,792	27,089	54,186
Other liabilities	72	391	63
Deferred tax liability	5,823	844	6,038
<b>Total non-current liabilities</b>	<b>59,687</b>	<b>28,324</b>	<b>60,286</b>
<b>Current liabilities</b>			
Borrowings	5,638	1,034	5,578
Trade payables and other liabilities	38,137	25,163	40,767
Current income tax liabilities	1,171	394	1,163
<b>Total current liabilities</b>	<b>44,946</b>	<b>26,592</b>	<b>47,508</b>
<b>Total liabilities</b>	<b>104,633</b>	<b>54,916</b>	<b>107,793</b>
<b>Total equity and liabilities</b>	<b>206,767</b>	<b>105,822</b>	<b>209,626</b>

# Consolidated cash flow statement (IFRS)

EUR thousand	1 Jan – 31 Mar 2020	1 Jan – 31 Mar 2019	1 Jan – 31 Dec 2019
<b>Cash flows from operating activities</b>			
Customer payments received	59,005	27,645	175,986
Cash paid to suppliers and employees	-55,522	-24,849	-161,234
	<b>3,483</b>	<b>2,796</b>	<b>14,752</b>
Interest paid	-54	-111	-1,639
Dividends received	-	2	2
Interest received	17	31	65
Other financial items	14	-90	-182
Income taxes paid	-1,016	-543	-1,677
Loans granted	-	-4	-192
Proceeds from repayments of loans	35	-	193
<b>Net cash from operating activities</b>	<b>2,480</b>	<b>2,081</b>	<b>11,323</b>
<b>Cash flows used in investing activities</b>			
Purchase of tangible and intangible assets	-353	-244	-1,691
Proceeds from sale of tangible assets	90	101	266
Acquisition of subsidiaries, net of cash acquired	-268	-6,778	-11,417
Disposal of subsidiaries	-	660	760
Disposal of equity accounted investments	135	-	-
Purchase of investments	37	-	44
Proceeds from repayments of loans	2	396	402
Addition / deduction of current investments	-	-	-343
<b>Net cash used in investing activities</b>	<b>-356</b>	<b>-5,865</b>	<b>-11,980</b>
<b>Cash flows used in / from financing activities</b>			
Proceeds from share issue	-	1	1
Change in non-controlling interests	-23	-	-23
Repayment of current borrowings	-56	-41	-6,969
Proceeds from non-current borrowings	-	6 000	62,339
Repayment of non-current borrowings	-79	-25	-51,426
Payment of lease liabilities	-444	-366	-1,516
Dividends paid	-	-	-4,677
<b>Net cash used in / from financing activities</b>	<b>-601</b>	<b>5,569</b>	<b>-2,269</b>
<b>Net change in cash and cash equivalents</b>	<b>1,523</b>	<b>1,785</b>	<b>-2,926</b>
Cash and cash equivalents at the beginning of the reporting period	5,710	8,645	8,645
Effects of exchange rate changes	-9	-5	-10
Cash and cash equivalents at the end of the reporting period	7,224	10,425	5,710

# Changes in equity

EUR thousand	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total		
<b>Equity January 1, 2020</b>	<b>80</b>	<b>106,572</b>	<b>75</b>	<b>-53</b>	<b>-5,864</b>	<b>100,809</b>	<b>1,024</b>	<b>101,833</b>
Result for the period	-	-	-	-	411	411	69	480
Other comprehensive income:		-						
Change in fair value	-	-	-206	-	-	-206	-	-206
Translation differences	-	-	-	-6	0	-6	-	-6
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-206</b>	<b>-6</b>	<b>411</b>	<b>199</b>	<b>69</b>	<b>268</b>
<b>Transactions with owners</b>								
Changes in non-controlling interests	-	-	-	-	0	0	-29	-29
Share based payments	-	-	-	-	60	60	-	60
Other changes	-	-	-	-	-	-	3	3
<b>Total equity March 31, 2020</b>	<b>80</b>	<b>106,572</b>	<b>-131</b>	<b>-60</b>	<b>-5,393</b>	<b>101,068</b>	<b>1,067</b>	<b>102,134</b>

EUR thousand	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Reserve for invested unrestricted equity	Fair value reserve	Translation differences	Retained earnings	Total		
<b>Equity January 1, 2019</b>	<b>80</b>	<b>58,002</b>	<b>4</b>	<b>-7</b>	<b>-7,261</b>	<b>50,818</b>	<b>-</b>	<b>50,818</b>
Result for the period	-	-	-	-	1,251	1,251	-	1,251
Other comprehensive income:								
Change in fair value	-	-	1	-	-	1	-	1
Translation differences	-	-	-	-35	32	-3	-	-3
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-35</b>	<b>1,283</b>	<b>1,249</b>	<b>-</b>	<b>1,249</b>
<b>Transactions with owners</b>								
Dividend	-	-	-	-	-1,184	-1,184	-	-1,184
Other changes	-	-	-	-	22	22	-	22
<b>Total equity March 31, 2019</b>	<b>80</b>	<b>58,002</b>	<b>5</b>	<b>-42</b>	<b>-7,140</b>	<b>50,905</b>	<b>-</b>	<b>50,905</b>

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		
<b>Equity January 1, 2019</b>	<b>80</b>	<b>58,002</b>	<b>4</b>	<b>-7</b>	<b>-7,261</b>	<b>50,818</b>	<b>-</b>	<b>50,818</b>
Profit (loss) 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
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>71</b>	<b>-46</b>	<b>4,581</b>	<b>4,606</b>	<b>113</b>	<b>4,718</b>
<b>Transactions with owners</b>								
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
<b>Total equity December 31, 2019</b>	<b>80</b>	<b>106,572</b>	<b>75</b>	<b>-53</b>	<b>-5,864</b>	<b>100,809</b>	<b>1,024</b>	<b>101,833</b>

# Notes to the Interim 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 Interim 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 March 31, 2020. The accounting policies in the Interim Report are the same as in Financial Statement 2019.

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

## Accounting estimates

In preparing this Financial Statements Review, 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.

## 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 Jan – 31 Mar 2020	1 Jan – 31 Mar 2019	1 Jan – 31 Dec 2019
Staffing services	50,978	23,750	149,410
Franchise-payments	1,413	1,959	7,836
Recruitment and organizational development	2,007	1,968	9,355
Self-employment services	694	677	3,183
<b>Total revenue</b>	<b>55,091</b>	<b>28,353</b>	<b>169,784</b>

## Business combinations

### Acquisitions in 1-3/2020

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–March 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 impact on the revenue and result of Eezy Group in January–March 2020.

### Acquisitions in 1-3/2019

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 reported as a part of Eezy Group since February 1, 2019. The acquisition has been reported in detail in the financial statements for year 2019.

## Businesses sold

### Divestments in 1-3/2020

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–March 2020.

### Divestments in 1-3/2019

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–March 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	-2	-	-	-	-	-	-
Acquisitions	45	-	-	-	-	-	-
Additions	-	8	215	-	-	-	223
Transfers between classes	-	-	-	-	-	-50	-50
<b>Cost at March 31, 2020</b>	<b>125,800</b>	<b>2,605</b>	<b>6,022</b>	<b>26,500</b>	<b>2,956</b>	<b>6</b>	<b>38,089</b>
Accumulated amortization and impairment at January 1, 2020	-	-160	-3,977	-1,114	-496	-	-5,747
Disposals	-	-64	-286	-663	-246	-	-1,259
<b>Accumulated amortization and impairment at March 31, 2020</b>	<b>-</b>	<b>-225</b>	<b>-4,264</b>	<b>-1,778</b>	<b>-742</b>	<b>-</b>	<b>-7,009</b>
Net carrying value at January 1, 2020	125,757	2,436	1,831	25,386	2,460	56	32,169
<b>Net carrying value at March 31, 2020</b>	<b>125,800</b>	<b>2,380</b>	<b>1,759</b>	<b>24,723</b>	<b>2,214</b>	<b>6</b>	<b>31,082</b>

  

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	0	-	-	-	-	-	-
Acquisitions	6,575	188	18	1,873	390	22	2,491
Additions	-	-	216	-	-	-	216
Disposals	-	-	-52	-	-	-	-52
<b>Cost at March 31, 2019</b>	<b>66,479</b>	<b>506</b>	<b>4,981</b>	<b>3,543</b>	<b>772</b>	<b>26</b>	<b>9,828</b>
Accumulated amortization and impairment at January 1, 2019	-	-37	-2,926	-9	-6	-	-2,978
Disposals	-	-	8	-	-	-	8
Amortization	-	-11	-227	-73	-54	-	-365
<b>Accumulated amortization and impairment at March 31, 2019</b>	<b>-</b>	<b>-48</b>	<b>-3,145</b>	<b>-82</b>	<b>-60</b>	<b>-</b>	<b>-3,335</b>
Net carrying value at January 1, 2019	59,905	282	1,874	1,661	375	5	4,197
<b>Net carrying value at March 31, 2019</b>	<b>66,479</b>	<b>458</b>	<b>1,836</b>	<b>3,461</b>	<b>712</b>	<b>26</b>	<b>6,492</b>

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
<b>Cost at December 31, 2019</b>	<b>125,757</b>	<b>2,596</b>	<b>5,808</b>	<b>26,500</b>	<b>2,956</b>	<b>56</b>	<b>37,916</b>
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
<b>Accumulated amortization and impairment at December 31, 2019</b>	<b>-</b>	<b>-160</b>	<b>-3,977</b>	<b>-1,114</b>	<b>-496</b>	<b>-</b>	<b>-5,747</b>
Net carrying value at January 1, 2019	59,905	282	1,874	1,661	375	5	4,197
<b>Net carrying value at December 31, 2019</b>	<b>125,757</b>	<b>2,436</b>	<b>1,831</b>	<b>25,386</b>	<b>2,460</b>	<b>56</b>	<b>32,169</b>

## Property, plant and equipment

EUR thousand	Buildings	Buildings, right-of-use	Machinery and equipment, right-of-use	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	-	-12	-3	-10	-	-	-25
Additions	27	-	11	52	-	157	247
Disposals	-	-	-88	-	-	-77	-165
Revaluation	-	189	-	-	-	-	189
<b>Cost at March 31, 2020</b>	<b>988</b>	<b>6,587</b>	<b>1,867</b>	<b>430</b>	<b>102</b>	<b>637</b>	<b>10,611</b>
Accumulated depreciation and impairment at January 1, 2020	-532	-2,017	-753	-233	-51	-	-3,585
Translation differences	-	5	3	4	-	-	12
Depreciation	-27	-425	-72	-25	-	-	-549
<b>Accumulated depreciation and impairment at March 31, 2020</b>	<b>-560</b>	<b>-2,437</b>	<b>-821</b>	<b>-254</b>	<b>-51</b>	<b>-</b>	<b>-4,123</b>
Net book value at January 1, 2020	430	4,392	1,194	155	52	557	6,780
<b>Net book value at March 31, 2020</b>	<b>430</b>	<b>4,149</b>	<b>1,045</b>	<b>176</b>	<b>52</b>	<b>637</b>	<b>6,488</b>



EUR thousand	Buildings	Buildings, right-of-use	Machinery and equipment, right-of-use	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	-2	-	-	-6
Acquisitions	-	-	135	-	-	-	135
Additions	-	-	1	-	-	-	1
Subsidiaries sold	-	-	-	-13	-	-	-13
Disposals	-	-	-47	-	-	-	-47
Revaluation	-	43	-	-	-	-	43
<b>Cost at March 31, 2019</b>	<b>516</b>	<b>3,049</b>	<b>1,194</b>	<b>365</b>	<b>100</b>	-	<b>5,224</b>
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
Depreciation	-	-260	-42	-38	-7	-	-347
<b>Accumulated depreciation and impairment at March 31, 2019</b>	<b>-500</b>	<b>-952</b>	<b>-523</b>	<b>-142</b>	<b>-30</b>	-	<b>-2,147</b>
Net book value at January 1, 2020	17	2,317	622	258	77	-	3,291
<b>Net book value at March 31, 2019</b>	<b>17</b>	<b>2,098</b>	<b>669</b>	<b>223</b>	<b>70</b>	-	<b>3,076</b>

EUR thousand	Buildings	Buildings, right-of-use	Machinery and equipment, right-of-use	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
<b>Cost at December 31, 2019</b>	<b>962</b>	<b>6,409</b>	<b>1,947</b>	<b>388</b>	<b>102</b>	<b>557</b>	<b>10,366</b>
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
<b>Accumulated depreciation and impairment at December 31, 2019</b>	<b>-532</b>	<b>-2,017</b>	<b>-753</b>	<b>-233</b>	<b>-51</b>	-	<b>-3,585</b>
Net book value at January 1, 2020	17	2,317	622	258	77	-	3,291
<b>Net book value at December 31, 2019</b>	<b>430</b>	<b>4,392</b>	<b>1,194</b>	<b>155</b>	<b>52</b>	<b>557</b>	<b>6,780</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	March 31, 2020 Fair value	Level	March 31, 2019 Fair value	Level	December 31, 2019 Fair value	Level
Share investments, listed	190	1	9	1	458	1
Share investments, unlisted	243	3	178	3	243	3
Fund investments	-	2	44	2	-	2
Contingent consideration	485	3	2,756	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	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
<b>Liabilities in balance sheet for which collaterals given</b>			
Borrowings, non-current	50,967	25,664	51,040
Borrowings, current	4,029	66	4,069
<b>Total</b>	<b>54,997</b>	<b>25,730</b>	<b>55,109</b>

EUR thousand	Mar 31, 2020	Mar 31, 2019	Dec 31, 2019
<b>Mortgages on own behalf</b>			
Company mortgages	100,000	80,700	100,000
Property, plant and equipment	64	195	174
<b>Total</b>	<b>100,064</b>	<b>80,895</b>	<b>100,174</b>

## Events after the balance sheet date

Annual General Meeting was held on 21 April 2020.

# Key figures, their calculation and reconciliations

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

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

## Key figures

EUR thousand, unless otherwise specified	1 Jan – 31 Mar 2020	1 Jan – 31 Mar 2019	Change %	1 Jan – 31 Dec 2019
<b>Key figures for income statement</b>				
Revenue	55,091	28,353	94.3%	169,784
EBITDA	2,794	2,804	-0.4%	12,586
EBITDA margin, %	5.1%	9.9%	-	7.4%
EBIT	984	2,092	-53.0%	8,022
EBIT margin, %	1.8%	7.4%	-	4.7%
Items affecting comparability	-31	61	-	3,777
Adjusted EBITDA	2,762	2,865	-3.6%	16,363
Adjusted EBITDA margin, %	5.0%	10.1%	-	9.6%
Adjusted EBIT	953	2,153	-55.7%	11,799
Adjusted EBIT margin, %	1.7%	7.6%	-	6.9%
Earnings per share, basic, EUR	0.02	0.08	-	0.25
Earnings per share, diluted, EUR	0.02	-	-	0.25
Weighted average number of outstanding shares, pcs	24,849,375	14,799,198	-	18,296,109
Weighted average number of outstanding shares, diluted, pcs	24,986,585	-	-	18,301,372
Number of outstanding shares at the the end of reporting period, pcs	24,849,375	14,799,198	-	24,849,375
<b>Key figures for balance sheet</b>				
Net debt	54,410	20,453	-	56,513
Net debt excluding IFRS16	50,002	18,061	-	51,887
Net debt / Adjusted EBITDA (net leverage)	2.9 x <sup>1</sup>	1.8 x	-	2.7 x <sup>1</sup>
Gearing, %	53.3%	40.2%	-	55.5%
Equity ratio, %	49.4%	48.1%	-	48.6%

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

EUR thousand, unless otherwise specified	1 Jan – 31 Mar 2020	1 Jan – 31 Mar 2019	Change %	1 Jan – 31 Dec 2019
<b>Key figures for cash flow</b>				
Operative free cash flow	3,130	2,553	-	13,061
Purchase of tangible and intangible assets	-353	-244	-	-1,691
Acquisition of subsidiaries, net of cash acquired	-268	-6,778	-	-11,417
<b>Operative key figures</b>				
Chain-wide revenue, EUR million	78.6	56.1	40.2%	288.9
Franchise-fees, EUR million	1.4	2.0	-27.9%	7.8
Self-employment invoicing volume, EUR million	10.7	10.5	1.5%	49.9

## Reconciliation of Certain Alternative Performance Measures

EUR thousand	1 Jan – 31 Mar 2020	1 Jan – 31 Mar 2019	1 Jan – 31 Dec 2019
<b>EBITDA and adjusted EBITDA</b>			
EBIT	984	2,092	8,022
Depreciation, amortization and impairment losses	1,810	712	4,564
<b>EBITDA</b>	<b>2,794</b>	<b>2,804</b>	<b>12,586</b>
Items affecting comparability	-31	61	3,777
<b>Adjusted EBITDA</b>	<b>2,762</b>	<b>2,865</b>	<b>16,363</b>
<b>Adjusted EBIT</b>			
EBIT	984	2,092	8,022
Items affecting comparability	-31	61	3,777
<b>Adjusted EBIT</b>	<b>953</b>	<b>2,153</b>	<b>11,799</b>
<b>Operative free cash flow</b>			
Cash flows from operating activities before financial items and taxes	3,483	2,796	14,752
Purchase of tangible and intangible assets	-353	-244	-1,691
<b>Operative free cash flow</b>	<b>3,130</b>	<b>2,553</b>	<b>13,061</b>

## 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 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 (loss) for the period attributable to the owners of the parent company / Weighted average number of outstanding shares
Earnings per share, diluted	=	Profit (loss) 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

**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