

RELAIS

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Report by the
Board of Directors
and Financial
Statements 2019



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Report by the Board of Directors 1 January – 31 December 2019

Relais Group is an importer and technical wholesaler that actively develops its vehicle spare parts and electrical equipment business in the Nordic and Baltic countries. Relais creates added value for its customers by offering vehicle spare parts, electrical equipment, and specialist services throughout the lifecycle of vehicles in a reliable, efficient and timely manner.

On the balance sheet date, Relais Group comprised of the parent company Relais Group Plc and its fully-owned subsidiaries Startax Finland Oy (Finland), Startax Sweden AB (Sweden), Startax Latvia SIA (Latvia) ja Startax Lithuania UAB (Lithuania), Startax AS (Estonia), Startax Maskin-Teknisk AS (Norway), and Relais Group Sweden AB (Sweden), whose subsidiaries are Aktiebolaget Reservdelar (Sweden) "ABR", Huzells i Karlstad Aktiebolag (Sweden "Huzells" and Awimex International AB (Sweden). Aktiebolaget Reservdelar has also a fully-owned subsidiary EKG Automotive AB.

Relais Group Plc acquired the shares of AB Reservdelar (ABR) and Huzells i Karlstad AB on 31 May 2019. The acquisition was the most significant change in the group structure during the fiscal year and enhanced the Groups operations in Sweden grew significantly.

Business review

Operating environment and business development

Net sales of Relais Group for the financial period was EUR 98.9 (72.5) million, growing 36.6% from the previous financial period. The growth in net sales was primarily the result of the acquisition of ABR and Huzells.

The market situation in Finland and the Baltic countries was favourable for the period, particularly in the vehicle equipment and lighting product groups. The market conditions for spare parts in Finland remained stable. The development of business activities and the market situation in Sweden did not entirely match expectation, primarily because of the change in value of the Swedish krona, the changing market situation and the changes in organization and the customer base of Huzells i Karlstad AB.

As part of synergies in Sweden, the merging of the business activities of Startax Sweden AB with those of other Swedish group companies was started. Structural cost saving measures were also taken at the same time. Reorganisation of purchase management, standardisation of purchase terms, harmonization of product range between the Group companies and other measures were taken to synergise Group companies.

Relais aims to achieve synergies with long-term impact from the combination with ABR and Huzells. Synergies are expected to be realised from cross-selling between group companies and from purchasing. In the mid-term by 2021, Relais targets annual net sales synergies of EUR 6–8 million. Synergies are expected to have an impact from financial year 2020 onwards.

Financial result

The Group's EBITDA was EUR 13,335 (8,731) thousand for the period. The acquisition of ABR and Huzells made up a significant portion of EBITDA growth. Due to the seasonal nature of the business activities, a larger proportion of EBITDA was accumulated during the second half of the year.

Earnings before interest, taxes, and amortisation (EBITA) grew in 2019 in relation to the previous financial period, totalling EUR 12,976 (8,395) thousand, 13.1% (11.6%) of net sales. As with net sales above, the most significant factor for EBITA growth was the acquisition of ABR and Huzells. Due to the seasonal nature of the business activities, also the majority of EBITA was accumulated during the second half of the year. The change in fixed expenses of business activities was limited, considering the acquisitions that were made.

Operating profit for the financial period rose from the previous year, totalling EUR 7,856 (5,723) thousand – 79% (79%) of net sales. The Group's operating profit margin stayed at the same level it had been at during the previous financial period due to increasing amortisation of goodwill originating from the acquisition of ABR and Huzells.

The profit for the period, EUR 384 (3,092) thousand, was affected by the increased interest expenses due to acquisition financing, financial restructuring, non-recurring expenses associated with IPO and increased amortisation of goodwill. Financial restructuring resulted in EUR 1,325 thousand in arrangement fees and advisor fees, which have been recorded in the period's financial expenses. Financial expenses resulting from listing on the First North market amounted to EUR 2,729 thousand for the financial period.

Balance sheet, financing and investments

The Group's balance-sheet total at the end of the financial period on 31 December 2019 amounted to EUR 143,044 (47,686) thousand. The Group's equity was EUR 63,685 (16,528) thousand, and its net debt at the end of the period was EUR 34,550 (18,563) thousand. Net gearing was 54.3% (108.1%), and the equity ratio was 44.5% (36.0%). Cash assets at the end of the financial year were EUR 29,600 (2,309) thousand. The difference in amount of cash assets was significantly affected by the private offering related to the acquisition of ABR and Huzells and the IPO that took place in October.

The company has a multicurrency term loan facility of EUR 70 million for financing its business activities and acquisitions, primarily for the acquisition of ABR and Huzells and for amortizing debt that pre-dated those acquisitions. The amount of acquisition loan drawn down from the facility on the balance sheet day was EUR 64.2 million. In addition to term loan facility, the company has an EUR 7 million multicurrency revolving credit facility that can be used for purposes such as checking account credit limits and bank guarantees. The finance limit is in force until 31 May 2023.

In connection to the acquisition of ABR and Huzells, the companies' sellers, Nordic Industry Development AB and JG Management AB, agreed to make a substantial reinvestment by purchasing 4,880,650 newly issued shares of Relais on 31 May 2019.

Cash flow from operations was EUR 1,799 (3,383) thousand. It was negatively affected by expenses incurred from IPO and financial restructuring as well as by interest expenses incurred from acquisition financing. Also with the expansion of business activities, a greater amount of working capital was tied up in stock.

Cash flow used in investing activities was EUR -64,441 (-941) thousand, arising primarily from the acquisition of ABR and Huzells and the purchase of 30% of Awimex International AB's shares. Additionally, the investments in tangible and intangible assets include investments in financial management ERP, the establishment of a lighting studio in Finland and the renovation of facilities in Estonia.

Cash flow from financing activities was EUR 90,312 (-1,654) thousand. It was affected by the term loans drawn down for the acquisition of ABR and Huzells, repayment of the Group's prior loan financing, the Sellers' reinvestment and the proceeds from the shares issued in the IPO.

Key Figures

EUR thousand	1-12/2019	1-12/2018
Net sales	98,946	72,452
Gross profit	33,090	24,316
EBITDA	13,335	8,731
EBITDA margin, %	13.5%	12.1%
EBITA	12,976	8,395
EBITA margin, %	13.1%	11.6%
Operating profit	7,856	5,723
Operating profit margin, %	79%	79%
Profit (loss)	384	3,092
Profit (loss) margin, %	0.4%	4.3%
Comparable profit (loss) excluding amortisation of goodwill	8,740	5,765
Comparable profit (loss) excluding amortisation of goodwill margin, %	8.8%	8.0%
Return on equity (ROE), %	1.4%*	21.2%*
Equity ratio	44.5%	36.0%
Net gearing	54.3%	108.1%
Earnings per share, basic, EUR	0.03	0.36
Earnings per share, diluted, EUR	0.03	0.34
Comparable earnings per share, basic, EUR	0.31	0.36
Comparable earnings per share, diluted, EUR	0.29	0.34
Comparable earnings per share excluding amortisation of goodwill, basic, EUR	0.76	0.67
Comparable earnings per share excluding amortisation of goodwill, diluted, EUR	0.71	0.64
Personnel at the end of the period, FTE	258	147

* Items affecting comparability and amortization of goodwill not eliminated in calculating these KPI's.

Shares and shareholders

The company has one class of shares and each share entitles the shareholder to one vote at the General Meeting. No voting restrictions or limits on the number of shares that can be held are in place. The company's shares do not have a nominal value. All shares provide equal entitlements to the dividend and other fund distribution (including fund distribution in dissolution situations).

The company's registered share capital was EUR 80,000 on 31 December 2019, and the number of shares recorded in the trade register was 16,213,800.

According to the shareholder register maintained by Euroclear Finland, Relais had 2,664 shareholders at the end of the financial period. Relais owned 50 of its own shares.

The company's ten largest registered shareholders and their holdings on 31 December 2019:

Shareholder	Number of shares	%
1 Salmivuori Ari	6,328,800	39.0
2 Nordic Industry Development AB ¹	4,375,350	27.0
3 Finnish Industry Investment Ltd (Tesi)	462,949	2.9
4 Ajanta Oy ²	453,200	2.8
5 Ilmarinen Mutual Pension Insurance Company	440,463	2.7
6 Elo Mutual Pension Insurance	396,813	2.4
7 Stadigh Kari	292,200	1.8
8 Veritas Pension Insurance	195,761	1.2
9 Mikkonen Ville	174,800	1.0
10 Rausanne Oy	165,972	1.0
11 Evli Finland Select	137,033	0.8
Ten largest combined	13,423,341	82.8
Other shareholders	2,790,459	17.2
Total	16,213,800	100.0

¹In Nordic Industry Development AB, control is indirectly held by Jesper Otterbeck.

²In Ajanta Oy, control is held by Ari Salmivuori.

Current option schemes

The company has option-based incentive plans intended for the company's management personnel. On 31 December 2019, the members of the Board of Directors and the Management Team of Relais owned a total of 1,032,550 option rights, corresponding to approximately 7.6% of Relais shares and votes. Additionally, on 31 December 2019, the inheritors of a late board member owned a total of 37,600 option rights, entitling them to the issue of a corresponding number of shares. In total, issued option rights entitled the option holders to the issue of a total of 1,070,150 shares. Current options are divided into several option series with varying subscription prices and subscription periods (2017A-2017H, 2019A-2019G).

Assessment of risks and uncertainties relating to business activities

The company is exposed to macroeconomic risks and other macro-level trends that may reduce demand for its products. It operates in a competitive and fragmented market in certain areas, and competition and consolidation may increase in the future.

The company has a growth strategy that involves risks, particularly with acquisition-based growth. Such risks may include scarcity of suitable acquisition targets, unfavourable valuation of acquisition targets and risks associated with the successful integration of acquisitions.

The company's business ties up working capital in the storage of a large product range. In the event of a failure to predict demand or to manage the range of products, this may have adverse financial effects. Relais is dependent on its retailer network and its net sales can suffer if retailers' businesses underperform or customer relationships change.

The importance of the company's key personnel to business success is significant, and the loss of key personnel can cause adverse effects. The company's business may also be affected by new or changed laws and regulations that affect the markets.

The company is subject to normal risks of damage which are mitigated by insurance against loss or damage, third party insurance and business interruption insurance.

When it comes to finance, fluctuating exchange rates can have an adverse effect on Relais' business activities, profits and balance sheet position. By financing its loans, the company also subjects itself to the risk of heightened interest rates. This risk is managed with interest rate swap contracts.

Risks related to the company's business activities are described in more detail in the 4 October 2019 company prospectus.

Board of Directors, management and auditors

From 31 May 2019, the Board of Directors of Relais Group Plc consists of Kari Stadigh (chairman), Olli-Pekka Kallasvuo, Jesper Otterbeck and Katri Nygård.

The company's CEO is Arni Ekholm. In addition to Mr. Ekholm, the Management Team of the company and group consists of Chief Financial Officer Pekka Raatikainen, Managing Director Sweden Juan Garcia and Managing Director Finland Ville Mikkonen.

PricewaterhouseCoopers Oy, Authorized Public Accountants, acts as the company auditors, with Janne Rajalahti, Authorized Public Accountant, as the principal auditor.

Personnel

The Group employed an average of 214 (153) personnel between January and December. On 31 December 2019, at the end of the financial year, personnel amounted to 258 (147), representing an increase of 111.

Salaries and fees paid from January to December totalled EUR 9,470 (7,552) thousand. The significant increase was driven by the acquisition of ABR and Huzells.

Annual General Meeting on 24 May 2019, shareholder decisions and the board's existing authorizations

The Annual General Meeting on 24 May 2019 confirmed the company's financial statements for the period of 1 January – 31 December 2018. The audit firm PricewaterhouseCoopers was re-appointed as the auditor for the company, with Certified Public Accountant Janne Rajalahti as the principal auditor.

The Annual General Meeting authorized the Board of Directors to decide on private offerings. The board was authorized to issue, at most, 5,000,000 new shares.

The company's shareholders decided unanimously on 31 May 2019 to elect Kari Stadigh as chairman and Katri Nygård, Olli-Pekka Kallasvuo and Jesper Otterbeck as board members.

The company's shareholders decided unanimously on 18 September 2019 to tie the company's shares to the book-entry system maintained by Euroclear Finland Ltd within the registration period of 25 September – 1 October 2019. Additionally, it was decided that the company be made into a public limited company in accordance with the changes to the articles of association and to change the company name to Relais Group Plc.

Furthermore, the company's shareholders decided unanimously to implement a share issue without consideration (split) where all the company's shareholders would receive 49 new shares for each share they held in Relais. A total of 13,238,624 shares were issued. After the issue, the number of company shares amounted to 13,508,800. In accordance with the terms of all option rights issued by the company, the number of issued shares was changed correspondingly. For the sake of comparability, all share quantities in this financial statement bulletin are displayed with the changes made in the free issue.

Additionally, on 18 September 2019, the Board of Directors was authorized to decide on a share issue in connection with the company's listing by a unanimous decision of the shareholders.

The maximum number of new shares to be issued in connection with this authorization was set at 3,000,000. A total of 2,705,000 shares were offered and issued in the IPO. The proceedings from the shares issued were EUR 19,987,839.42.

The company's shareholders decided unanimously on 18 September 2019 to authorize the Board of Directors to decide upon issuing shares and options as well as giving other special rights that would entitle the holder to company shares in one or more tranche. The maximum number of shares that may be issued under this authorization is 1,650,000. Share issues and the giving of special rights that would entitle the holder to shares may be done through a private offering. The Board of Directors decides on all other conditions when issuing shares or giving special rights that would entitle the holder to shares. This authorization will be valid until the next Annual General Meeting ends or until 30 June 2020, whichever occurs first.

The company's shareholders decided unanimously on 18 September 2019 to authorize the Board of Directors to decide on the repurchase of the company's own shares. The maximum number of shares that may be purchased under this authorization is 1,650,000. However, the company may not, together with its subsidiaries, own more than 10% of its own shares at any given time. Shares can also be acquired through a private offering. The authorization is conditional on successful listing and is valid until the next Annual General Meeting ends or until 30 June 2020, whichever occurs first.

On 25 September 2019 the company's share capital was raised to EUR 80,000 through an increase from the invested unrestricted equity fund as set forth in Limited Liability Companies Act Chapter 11, Section 2.

Disputes

The company is not currently involved in any disputes or trials that would have a significant impact on the Group's financial position according to the opinion of the Board.

Research and development activities

The company is not involved in direct research and development activities.

Major events after the review period

On 15 January 2020, the company announced that it had acquired a 70% majority share in SEC Scandinavia A/S, a Danish company specialising in lighting solutions for light commercial vehicles.

Founded in 1991, SEC is an importer and wholesaler specialising in auxiliary and working lights, power management systems and automotive camera systems for commercial vehicles with net sales of EUR 2.1 million in 2019 and EBITDA of EUR 0.2 million. The purchase price for the shares was EUR 0.8 million and was paid in cash.

On 6 February 2020, the company announced having acquired a 95.25% majority share of Swedish TD Tunga Delar AB. Operating in Sweden, Tunga Delar is a wholesaler of spare parts and equipment for heavy-duty commercial vehicles. The acquisition is a part of Relais Group's growth strategy, and it will strengthen the company's position as an independent importer and technical wholesaler of accessories and spare parts for heavy-duty vehicles and buses in Sweden.

Founded in 2012, Tunga Delar's net sales for 2019 were SEK 99.5 million (2018: SEK 101.6 million) and EBITDA SEK 19.9 million (SEK 20.1 million).

The purchase price paid was approximately SEK 142.9 million, of which approximately SEK 87.9 million was paid in cash in connection with the conclusion of the sale and SEK 55.0 million in Relais Group's shares. Relais paid the portion of the purchase price that was to be paid in shares by releasing a total of 606,250 Relais Group shares in connection with the acquisition and issuing them to Tunga Delar's shareholders in a private offering. The price of shares given as payment was EUR 8.6091 per share, which corresponds to a volume weighted average rate on Nasdaq First North Growth Market Finland for a period of 30 trading days before the enactment of the acquisition.

Outlook for 2020

Group's reported net sales and operating profit excluding amortization of goodwill (EBITA) are estimated to grow clearly from the previous year.

The Board's proposal to the Annual General Meeting

The Group's profit for the period was EUR 383,978.72 and the parent company's profit was EUR 804,846.05. The parent company's distributable earnings on December 31, 2019 totalled EUR 65,626,626.33. The Board of Directors will propose to the Annual General Meeting on March 26, that the parent company's distributable earnings be distributed by paying a per-share dividend of EUR 0.10 or a total of EUR 1,612,375.00 against the total number of shares at the close of the reporting period. The remainder of the distributable earnings will be retained in equity.

In the Board's opinion, the proposed dividend distribution does not endanger the parent company's or Group's liquidity.

Consolidated income statement

EUR	1.1.–31.12.2019	1.1.–31.12.2018
NET SALES	98,945,531.90	72,451,836.13
Other operating income	518,128.91	367,249.96
Materials and services		
Materials, supplies and goods		
Purchases during the period	-68,310,430.05	-50,083,537.03
Increase/decrease in inventories	2,491,184.23	1,976,636.49
External services	-36,519.08	-29,063.13
	-65,855,764.90	-48,135,963.67
Personnel expenses		
Wages and salaries	-9,472,170.72	-7,552,393.46
Social security expenses		
Pension expenses	-1,469,934.07	-1,241,839.19
Other social security expenses	-1,423,357.02	-747,429.30
	-12,365,461.82	-9,541,661.95
Depreciation, amortisation and impairments	-5,479,546.57	-3,007,779.21
Other operating expenses	-7,907,242.71	-6,410,737.05
OPERATING PROFIT	7,855,644.83	5,722,944.20
Financial income and expenses		
Other interest and financial income	54,256.75	97,889.11
Interest expenses and other financial expenses	-5,419,183.63	-976,423.06
	-5,364,926.88	-878,533.95
PROFIT BEFORE TAXES	2,490,717.95	4,844,410.25
Income taxes	-1,931,401.88	-1,522,946.37
Minority interest	-175,337.35	-229,201.36
PROFIT FOR THE PERIOD	383,978.72	3,092,262.53

Consolidated balance sheet

EUR	31 Dec 2019	31 Dec 2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Immaterial rights	132,122.51	164,137.31
Goodwill	53,730,527.77	4,946,608.82
Other intangible assets	414,415.24	168,169.87
	54,277,065.51	5,278,916.00
Tangible assets		
Machinery and equipment	653,327.94	594,367.11
Other tangible assets	81,186.46	24,377.83
	734,514.40	618,744.95
Investments		
Other shares and holdings	62,026.13	682.51
	62,026.13	682.51
TOTAL NON-CURRENT ASSETS	55,073,606.04	5,898,343.45
CURRENT ASSETS		
Inventories		
Finished products/goods	41,661,246.01	27,397,078.71
Advance payments	1,432,565.84	1,711,707.19
	43,093,811.85	29,108,785.90
Receivables		
Long-term		
Deferred tax assets	284,595.90	0.00
Other receivables	0.00	0.00
Prepaid expenses and accrued income	1,866.60	0.00
	286,462.50	0.00
Short-term		
Trade receivables	11,908,990.62	7,821,096.83
Loan receivables	0.00	674,597.10
Deferred tax assets	0.00	284,582.00
Other receivables	240,717.83	19,195.20
Prepaid expenses and accrued income	2,839,855.52	1,570,353.60
	14,989,563.96	10,369,824.74
Cash at bank and in hand	29,600,488.63	2,308,561.04
TOTAL CURRENT ASSETS	87,970,326.95	41,787,171.68
TOTAL ASSETS	143,043,932.99	47,685,515.14

Consolidated cash flow statement

EUR	31 Dec 2019	31 Dec 2018
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	3,000.00
Reserve for invested unrestricted equity	51,006,698.24	3,127,136.95
Retained earnings	12,214,304.67	10,305,988.50
Profit (loss) for the period	383,978.72	3,092,262.53
TOTAL EQUITY	63,684,981.63	16,528,387.98
Minority Interest	0.00	640,651.76
LIABILITIES		
Non-current		
Loans from financial institutions	59,387,658.97	13,719,096.54
Other loans and purchase consideration liability	122,000.00	1,722,000.00
Deferred tax liabilities	2,320,943.04	98,649.98
	61,830,602.01	15,539,746.52
Current		
Loans from financial institutions	4,762,783.98	5,705,188.00
Other loans and purchase consideration liability		400,000.00
Trade payables	6,559,699.46	3,966,911.08
Other liabilities	3,243,605.94	2,522,136.79
Accrued expenses and deferred income	2,962,259.97	2,382,492.99
	17,528,349.34	14,976,728.87
TOTAL LIABILITIES	79,358,951.35	30,516,475.39
EQUITY AND LIABILITIES TOTAL	143,043,932.99	47,685,515.14

EUR	1.1.-31.12.2019	1.1.-31.12.2018
Profit (loss) for the period	383,978.72	3,092,262.53
Adjustments		
Depreciation, amortisation and impairments	5,479,546.57	3,007,779.21
Financial income and expenses	6,019,123.50	878,533.95
Income tax	1,931,401.88	1,522,946.37
Minority interest in net income	175,337.35	229,201.36
Other adjustments	-701,250.93	-2,711.06
Operating cash flow before working capital changes	13,288,137.09	8,728,012.35
Changes in working capital		
Increase/decrease in inventories	-3,144,495.77	-2,428,591.63
Increase/decrease short-term receivables	3,999,602.98	-1,301,384.67
Increase/decrease short-term liabilities	-3,799,701.15	1,293,051.94
Interest and other financial expenses	-6,119,280.25	-794,974.23
Dividends received	14,526.67	
Interest received	43,697.58	3,138.36
Income taxes paid	-2,483,987.02	-2,116,084.46
Net cash from operating activities	1,798,500.13	3,383,167.66
Net cash used in investing activities		
Acquisition of subsidiaries, net of cash acquired	-64,779,321.27	-756,317.91
Purchase of tangible and intangible assets	-391,757.09	-207,646.60
Purchase of investments	-7,036.76	0.00
Proceeds from repayment of loans	674,597.10	0.00
Proceeds from sale of tangible and intangible assets	62,972.26	22,854.96
Net cash used in investing activities	-64,440,545.76	-941,109.55

EUR	1.1.–31.12.2019	1.1.–31.12.2018
Net cash used in financing activities		
Draw-down current loans	5,019,370.67	400,000.00
Repayment current loans	-11,105,188.00	-1,000,000.00
Draw-down non-current loans	69,627,334.62	2,475,736.44
Repayment non-current loans	-21,186,403.72	-3,529,572.00
Proceeds from share issues and unrestricted equity investments	47,956,561.29	0.00
Net cash used in financing activities	90,311,674.86	-1,653,835.56
Net change in cash and cash equivalents	27,669,629.23	788,222.56
Cash and cash equivalents, opening amount	2,308,561.04	40,971.37
Cash funds transferred due to merger		1,521,901.75
Effects of exchange rate fluctuations	-377,701.63	-42,534.63
Cash and cash equivalents	29,600,488.64	2,308,561.04

Parent company income statement

EUR	1.1.–31.12.2019	1.1.–31.12.2018
NET SALES	300,000.00	300,000.00
Other operating income	0.00	8,747,065.83
Personnel expenses		
Wages and salaries	-494,184.04	-458,277.25
Social security expenses		
Pension expenses	-96,623.68	-85,699.63
Other social security expenses	6,632.66	-9,953.08
	-584,175.06	-553,929.96
Depreciation, amortisation and impairments	-13,842.84	-14,061.05
Other operating expenses	-276,377.83	-383,933.46
OPERATING PROFIT	-574,395.73	8,095,141.36
Financial income and expenses		
Income from holdings in Group companies	840,000.00	6,000,000.00
Other interest and financial income		
From Group companies	16,946.94	17,614.22
From others	17,554.14	23,454.85
Interest and other financial expenses		
To Group companies	-120,539.50	-260,348.68
To others	-3,374,719.80	-555,425.60
	-2,620,758.22	5,225,294.79
PROFIT BEFORE APPROPRIATIONS AND TAXES	-3,195,153.95	13,320,436.15
Appropriations	4,000,000.00	0.00
Income taxes	0.00	-10,140.15
PROFIT FOR THE PERIOD	804,846.05	13,310,296.00

Parent company balance sheet

EUR	31 Dec 2019	31 Dec 2018
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Immaterial rights	27,265.11	37,179.75
Other intangible assets	7,800.00	10,566.00
Intangible assets total	35,065.11	47,745.75
Tangible assets		
Machinery and equipment	2,979.16	4,141.36
Other tangible assets	2,979.16	4,141.36
Investments		
Holdings in Group companies	40,330,199.78	38,199,907.53
Receivables from Group companies	810,270.59	0.00
	41,140,470.37	38,199,907.53
TOTAL NON-CURRENT ASSETS	41,178,514.64	38,251,794.64
CURRENT ASSETS		
Receivables		
Short-term		
Receivables from Group companies	5,176,159.52	5,156.95
Loan receivables	0.00	674,597.10
Other receivables	22,858.02	12,809.39
Prepaid expenses and accrued income	31,448.33	700,429.47
	5,230,465.87	1,392,992.91
Cash at bank and in hand	19,626,732.06	303,144.42
TOTAL CURRENT ASSETS	24,857,197.93	1,696,137.33

EUR	31 Dec 2019	31 Dec 2018
TOTAL ASSETS	66,035,712.57	39,947,931.97
EQUITY AND LIABILITIES		
EQUITY		
Share capital	80,000.00	3,000.00
Reserve for invested unrestricted equity	51,006,698.24	3,127,136.95
Retained earnings	13,815,082.04	504,786.04
Profit (loss) for the period	804,846.05	13,310,296.00
TOTAL EQUITY	65,706,626.33	16,945,218.99
LIABILITIES		
Non-current		
Loans from financial institutions	0.00	5,700,000.00
Intra-group liabilities	0.00	9,999,928.22
Other liabilities	0.00	1,600,000.00
	0.00	17,299,928.22
Current		
Loans from financial institutions	0.00	4,500,000.00
Trade payables	79,215.35	8,513.18
Intra-group liabilities	0.00	427.80
Other liabilities	109,312.88	413,533.85
Accrued expenses and deferred income	140,558.01	780,309.93
	329,086.24	5,702,784.76
TOTAL LIABILITIES	329,086.24	23,002,712.98
EQUITY AND LIABILITIES TOTAL	66,035,712.57	39,947,931.97

Parent company cash flow statement

EUR	1.1.–31.12.2019	1.1.–31.12.2018
Profit (loss) for the period	804,846.05	13,310,296.00
Adjustments		
Depreciation, amortisation and impairments	13,842.84	14,061.05
Financial income and expenses	2,620,758.22	-5,225,294.79
Income tax	0.00	10,140.15
Other adjustments	-4,000,000.00	-8,747,065.83
Operating cash flow before working capital changes	-560,552.89	-637,863.42
Changes in working capital		
Increase/decrease short-term receivables	349,355.38	-635,234.12
Increase/decrease short-term liabilities	-420,170.75	411,529.59
Interest and other financial expenses	-3,548,787.07	-714,396.02
Dividends received	840,000.00	6,000,000.00
Interest received	29,651.71	8,636.47
Income taxes paid	0.00	-10,140.15
Net cash from operating activities	-3,310,503.62	4,422,532.35
Net cash used in investing activities		
Acquisition of subsidiaries, net of cash acquired	-2,823,651.37	-5,303,353.62
Purchase of tangible and intangible assets	0.00	-2,030.01
Loans granted	-2,603,487.54	
Repayment of loan receivables	2,304,597.10	336,630.31
Net cash used in investing activities	-3,122,541.81	-4,968,753.32
Net cash used in financing activities		
Increase/decrease in non-current loans	-12,299,928.22	3,900,000.00
Increase/decrease long-term receivables	0.00	-3,774,784.23
Draw-down current loans	0.00	400,000.00
Repayment current loans	-9,900,000.00	-1,000,000.00
Dividends paid	0.00	0.00
Group contribution	0.00	1,040,000.00
Proceeds from share issues and unrestricted equity investments	4,795,561.29	0.00
Net cash used in financing activities	25,756,633.07	565,215.77
Net change in cash and cash equivalents	19,323,587.64	18,994.80
Cash and cash equivalents, opening amount	303,144.42	40,971.37
Cash funds transferred due to merger	0.00	243,178.25
Cash and cash equivalents	19,626,732.06	303,144.42

Accounting principles

Relais Group Oyj is the parent company of the Relais Group and is domiciled in Helsinki.

Copies of the financial statements of the group and the subgroup can be obtained from Tähtäinkuja 2, 01530 Vantaa and from the company website www.relais.fi.

Basis of preparation

The financial statements have been prepared in accordance with the Finnish Accounting Act, Limited Liability Companies Act, and the Finnish Accounting Standards (FAS) and it adheres to the accounting principles of the consolidated financial statements of 2018 with the exception of an amendment to the depreciation periods of group goodwill. Previously, the depreciation period of group goodwill was set at 5 years, but the useful life and depreciation period for the group goodwill created by the significant acquisition that took place in 2019 has been set at 10 years. The depreciation periods of group goodwill created in previous years have not been changed, and their depreciation plans remain unchanged.

Scope

The consolidated financial statements include all Finnish and foreign subsidiaries.

Valuation principles and methods

The intangible and tangible assets recorded in the Group's non-current assets are valued at acquisition cost less depreciation and amortisation according to a predetermined plan.

Investments in non-current assets are valued at the lower of the original acquisition cost or the estimated fair value, if the income generated in the future by the investment is estimated to be less than the original acquisition cost.

Inventories are valued at the lower of acquisition price or estimated realizable price.

Liabilities are valued at their nominal value.

Deferred tax assets or liabilities are calculated for the temporary differences between taxation and

closing of the accounts by using the enacted tax rate at the date of closure of the accounts for the coming years.

Intragroup transactions, profit margins on internal deliveries, internal receivables and liabilities, and internal distribution of profit are eliminated in the consolidated financial statements.

Mutual holdings are eliminated using the purchase method. The difference between the acquisition price and the equity is presented as consolidated goodwill, which is amortised over its useful economic life in 5–10 years.

Minority interest is shown separately in the income statement as part of the result for the period and in the balance sheet as part of equity.

Items denominated in foreign currency

The income statements of foreign Group companies are translated into euros at the average exchange rate of the financial period and the balance sheets at the rate on the balance sheet date. Translation differences arising from translation and translation differences arising when eliminating the equity of foreign subsidiaries are presented in "Retained earnings".

Planned depreciation periods and methods

The acquisition costs for intangible and tangible assets belonging to the company's non-current assets are depreciated and amortised in accordance with a predetermined plan.

Depreciation and amortisation according to a predetermined plan is calculated on a straight-line basis over the estimated useful economic life of fixed assets.

The planned depreciation/amortisation periods are as follows:

<i>Intangible assets</i>	
Immaterial rights	5
Other intangible assets.....	5–10
Goodwill	5–10

<i>Tangible assets</i>	
Machinery and equipment	5–8
Other tangible assets	3–8

Small purchases (of under 850 euros) and fixed asset purchases the useful economic life of which is less than 3 years are recorded as annual expenses.

Notes to the income statement

Net sales by market area

	Group		Parent company	
	2019	2018	2019	2018
Finland	55,496,476.87	54,696,164.30	300,000.00	300,000.00
Sweden	34,174,242.33	8,606,133.01	0.00	0.00
Estonia	3,615,383.46	3,710,903.89	0.00	0.00
Norway	3,267,006.90	3,234,758.05	0.00	0.00
Other countries	2,392,422.34	2,203,876.88	0.00	0.00
	98,945,531.90	72,451,836.13	300,000.00	300,000.00

Other operating income

	Group		Parent company	
	2019	2018	2019	2018
Rental income	378,508.09	339,176.05	0.00	0.00
Gain on sale of fixed assets	37,380.51	7,671.53	0.00	0.00
Merger profit (SX-Investment Oy)	0.00	0.00	0.00	8,747,065.83
Other	102,240.31	20,402.38	0.00	0.00
	518,128.91	367,249.96	0.00	8,747,065.83

Notes on personnel

	Group		Parent company	
	2019	2018	2019	2018
Average number of people employed during the year	214	153	3	3

Statutory pension coverage for the company's personnel is provided through insurance companies.

Voluntary pensions are provided through pension insurance.

For the financial year ended December 31, 2018 and December 31, 2019 no fees were paid for the Board members.

Group management team's salaries are paid from the parent company and other Group companies.

Salaries and fees of the CEO and the management team

	Group		Parent company	
	2019	2018	2019	2018
CEO	-217,718.95	-200,951.25	-217,718.95	-200,951.25
Management Team	-340,951.91	-150,543.90	-170,347.70	-150,543.90
	-558,670.86	-351,495.15	-388,066.65	-351,495.15

Auditor fees

	Group		Parent company	
	2019	2018	2019	2018
Audit	-96,915.31	-59,187.77	-41,000.00	-17,500.00
Other services	-712,870.00	-33,500.00	-712,870.00	-10,500.00
	-809,785.31	-92,687.77	-753,870.00	-28,000.00

Depreciation and amortisation

	Group		Parent company	
	2019	2018	2019	2018
Amortisation on consolidated goodwill	-5,120,352.35	2,672,443.03	0.00	0.00
Other amortisations	-108,185.67	92,484.43	12,680.64	12,680.60
Depreciation on tangible assets	-251,008.55	242,851.75	1,162.20	1,380.45
	-5,479,546.57	3,007,779.21	13,842.84	14,061.05

Notes to the balance sheet

Financial income and expenses

	Group		Parent company	
	2019	2018	2019	2018
Income from holdings in Group companies				
From Group companies	0.00	0.00	840,000.00	6,000,000.00
From others	14,526.67	0.00	0.00	0.00
	14,526.67	0.00	840,000.00	6,000,000.00
Other interest and financial income				
From Group companies	0.00	0.00	16,946.94	17,614.22
From others	39,730.08	97,889.12	17,554.14	23,454.85
	39,730.08	97,889.12	34,501.08	41,069.07
Total financial income	54,256.75	97,889.12	874,501.08	6,041,069.07
Interest expenses				
To Group companies	0.00	0.00	-120,539.50	-260,348.68
To others	-1,750,487.04	-976,423.07	-263,753.28	-555,425.60
	-1,750,487.04	-976,423.07	-384,292.78	-815,774.28
Other financial expenses				
To others	-1,617,249.75	0.00	-382,383.73	0.00
Listing expenses	-2,728,582.79		-2,728,582.79	
Exchange rate differences	677,135.95	0.00	0.00	0.00
	-3,668,696.59	0.00	-3,110,966.52	0.00
Total financial expenses	-5,419,183.63	-976,423.07	-3,495,259.30	-815,774.28
Total financial income and expenses	-5,364,926.88	-878,533.95	-2,620,758.22	5,225,294.79

Appropriations

	Group		Parent company	
	2019	2018	2019	2018
Group contributions	0.00	0.00	4,000,000.00	0.00

Income taxes

	Group		Parent company	
	2019	2018	2019	2018
Income tax on operating activities	-1,675,782.64	-1,820,372.82	0.00	0.00
Income tax from previous periods	0.00	10,446.68	0.00	-10,140.15
Deferred taxes	-255,619.24	286,979.77	0.00	0.00
	-1,931,401.88	-1,522,946.37	0.00	-10,140.15

Group non-current assets

Intangible assets

	Goodwill	Immaterial rights	Other intangible assets	Total
Acquisition cost at 1 Jan 2019	15,434,152.64	461,417.89	401,259.45	16,296,829.98
Translation differences		3,313.99	1,230.54	4,544.52
Additions		9,023.15	227,515.09	236,538.24
Acquisitions	53,928,161.16	313,591.86	116,441.86	54,358,194.88
Disposals				0.00
Reclassifications				0.00
Acquisition cost at 31 Dec 2019	69,362,313.80	787,346.89	746,446.94	70,896,107.62
Accumulated amortisation at 1 Jan 2019	-10,487,543.82	-297,280.58	-233,089.58	-11,017,913.98
Translation differences		-3,262.27	-674.15	-3,936.41
Accumulated amortisation of deductions and transfers		-307,592.92		-307,592.92
Amortisation during the period	-5,144,242.21	-47,088.61	-98,267.99	-5,289,598.81
Accumulated amortisation at 31 Dec 2019	-15,631,786.03	-655,224.38	-332,031.72	-16,619,042.13
Book value at 31 Dec 2019	53,730,527.77	132,122.51	414,415.22	54,277,065.49

	Goodwill	Immaterial rights	Other intangible assets	Total
Acquisition cost at 1 Jan 2018	14,900,827.24	440,952.21	582,902.76	15,924,682.21
Additions	533,325.40	45,515.00		578,840.40
Disposals		-25,049.32	-181,643.31	-206,692.63
Acquisition cost at 31 Dec 2018	15,434,152.64	461,417.89	401,259.45	16,296,829.98
Accumulated amortisation at 31 Dec 2018	-7,791,210.94	-274,227.87	-394,240.35	-8,459,679.16
Accumulated amortisation of deductions and transfers		25,049.32	181,643.31	206,692.63
Amortisation during the period	-2,696,332.89	-48,102.03	-20,492.54	-2,764,927.46
Accumulated amortisation at 31 Dec 2018	-10,487,543.82	-297,280.58	-233,089.58	-11,017,913.98
Book value at 31 Dec 2018	4,946,608.82	164,137.31	168,169.87	5,278,916.00

Tangible assets

	Marchinery and equipment	Other tangible assets	Total
Acquisition cost at 1 Jan 2019	2,138,801.90	115,212.48	2,254,014.38
Translation differences	3,953.86	1,222.39	5,176.25
Additions	131,084.72	24,134.13	155,218.85
Acquisitions	825,437.24	79,542.30	904,979.54
Disposals	-73,973.29		-73,973.29
Reclassifications	-95,885.27	95,885.27	0.00
Acquisition cost at 31 Dec 2019	2,929,419.15	315,996.57	3,245,415.73
Accumulated depreciation at 1 Jan 2019	-1,544,434.78	-90,834.65	-1,635,269.43
Translation differences	-4,502.44	-1,164.24	-5,666.68
Accumulated amortisation of deductions and transfers	94,310.39	-45,928.84	48,381.55
Accumulated amortisation of acquisitions	-609,533.68	-57,804.63	-667,338.31
Depreciation during the period	-211,930.70	-39,077.75	-251,008.45
Accumulated depreciation at 31 Dec 2019	-2,276,091.22	-234,810.11	-2,510,901.33
Book value at 31 Dec 2019	653,327.94	81,186.46	734,514.40

	Marchinery and equipment	Other tangible assets	Total
Acquisition cost at 1 Jan 2018	2,621,095.08	58,899.15	2,679,994.23
Translation differences	-7,036.70	14.06	-7,022.65
Additions	155,340.49	6,791.11	162,131.60
Acquisitions			0.00
Disposals	-601,056.47		-601,056.47
Reclassifications	-29,540.50	49,508.17	19,967.67
Acquisition cost at 31 Dec 2018	2,138,801.90	115,212.48	2,254,014.38
Accumulated depreciation at 1 Jan 2018	-1,907,781.33	-45,684.12	-1,953,465.45
Translation differences	109.38	-6.50	102.88
Accumulated amortisation of deductions and transfers	580,912.57	-19,967.67	560,944.90
Depreciation during the period	-217,675.40	-25,176.36	-242,851.75
Accumulated depreciation at 31 Dec 2018	-1,544,434.78	-90,834.65	-1,635,269.43
Book value at 31 Dec 2018	594,367.12	24,377.83	618,744.95

Parent company non-current assets

Intangible assets	Immaterial rights	Other intangible assets	Total
Acquisition cost at 1 Jan 2019	49,573.00	13,830.00	63,403.00
Translation differences			0.00
Additions			0.00
Acquisitions			0.00
Disposals			0.00
Reclassifications			0.00
Acquisition cost at 31 Dec	49,573.00	13,830.00	63,403.00
Accumulated amortisation at 1 Jan 2019	-12,393.25	-3,264.00	-15,657.25
Translation differences			0.00
Accumulated amortisation of deductions and transfers			0.00
Amortisation during the period	-9,914.64	-2,766.00	-12,680.64
Accumulated depreciation at 31 Dec 2019	-22,307.89	-6,030.00	-28,337.89
Book value at 31 Dec 2019	27,265.11	7,800.00	35,065.11

	Immaterial rights	Other intangible assets	Total
Acquisition cost at 1 Jan 2018	0.00	0.00	0.00
Merger of Relais Group Oy	49,573.00	13,830.00	63,403.00
Acquisition cost at 31 Dec 2018	49,573.00	13,830.00	63,403.00
Accumulated amortisation at 1 Jan 2018	0.00	0.00	0.00
Merger of Relais Group Oy	-9,914.60	-498.00	-10,412.60
Amortisation during the period	-2,478.65	-2,766.00	-5,244.65
Accumulated amortisation at 31 Dec 2018	-12,393.25	-3,264.00	-15,657.25
Book value at 31 Dec 2018	37,179.75	10,566.00	47,745.75

Tangible assets

	Machinery and equipment	Total
Acquisition cost at 1 Jan 2019	7,523.88	7,523.88
Translation differences		0.00
Additions		0.00
Acquisitions		0.00
Disposals		0.00
Reclassifications		0.00
Acquisition cost at 31 Dec	7,523.88	7,523.88
Accumulated depreciation at 1 Jan 2019	-3,382.52	-3,382.52
Translation differences		0.00
Accumulated amortisation of deductions and transfers		0.00
Amortisation during the period	-1,162.20	-1,162.20
Accumulated amortisation at 31 Dec 2019	-4,544.72	-4,544.72
Book value at 31 Dec 2019	2,979.16	2,979.16

	Machinery and equipment	Total
Acquisition cost at 1 Jan 2018	0.00	0.00
Translation differences	0.00	0.00
Additions	2,030.00	2,030.00
Merger of Relais Group Oy	5,493.88	5,493.88
Disposals		0.00
Reclassifications		0.00
Acquisition cost at 31 Dec 2018	7,523.88	7,523.88
Accumulated depreciation at 31 Dec 2018	0.00	0.00
Translation differences	0.00	0.00
Merger of Relais Group Oy	-2,002.07	-2,002.07
Amortisation during the period	-1,380.45	-1,380.45
Accumulated amortisation at 31 Dec 2018	-3,382.52	-3,382.52
Book value at 31 Dec 2018	4,141.36	4,141.36

Holdings in Group companies

	Subsidiary shares
Acquisition cost at 1 Jan 2019	38,199,907.53
Additions	10,586,466.15
Disposals	-7,645,903.31
Acquisition cost at 31 Dec	41,140,470.37

	Subsidiary shares
Acquisition cost at 1 Jan 2018	0.00
Additions	14,554,557.72
Merger of Relais Group Oy	23,645,349.81
Acquisition cost at 31 Dec 2018	38,199,907.53

Changes in equity - group

	Share capital	Reserve for invested unrestricted equity	Retained earnings total			Equity total
			Retained earnings excluding translation differences	Translation differences	Retained earnings total	
Equity 1.1.2019	3,000.00	3,127,136.95	13,745,408.51	-347,157.48	13,398,251.03	16,528,387.98
Change in translation differences				-1,183,946.34	-1,183,946.34	-1,183,946.34
Share issue		43,487,839.42				43,487,839.42
Increase in share capital	77,000.00	-77,000.00				0.00
Investment in unrestricted equity reserve		4,468,721.87				4,468,721.87
Profit (loss) for the period			383,978.72		383,978.72	383,978.72
Equity 31.12.2019	80,000.00	51,006,698.24	14,129,387.23	-1,531,103.82	12,598,283.41	63,684,981.63
Equity 1.1.2018	3,000.00	0.00	10,653,145.98	-419,698.10	10,233,447.89	10,236,447.89
Change in translation differences				72,540.62	72,540.62	72,540.62
Merger of Relais Group Oy		3,127,136.95				3,127,136.95
Profit (loss) for the period			3,092,262.53		3,092,262.53	3,092,262.53
Equity 31.12.2018	3,000.00	3,127,136.95	13,745,408.51	-347,157.48	13,398,251.03	16,528,387.98

Changes in equity - parent company

	Share capital	Reserve for invested unrestricted equity	Retained earnings	Equity total
Equity 1.1.2019	3,000.00	3,127,136.95	13,815,082.04	16,945,218.99
Change in translation differences				0.00
Share issue		43,487,839.42		43,487,839.42
Increase in share capital	77,000.00	-77,000.00		0.00
Investment in unrestricted equity reserve		4,468,721.87		4,468,721.87
Profit (loss) for the period			804,846.05	804,846.05
Equity 31.12.2019	80,000.00	51,006,698.24	14,619,928.09	65,706,626.33
Equity 1.1.2018	3,000.00	0.00	504,796.04	3,000.00
Change in translation differences				0.00
Merger of Relais Group Oy		3,127,136.95		3,127,136.95
Share issue				0.00
Profit (loss) for the period			13,310,286.00	13,310,286.00
Equity 31.12.2018	3,000.00	3,127,136.95	13,815,082.04	16,945,218.99

Calculation of distributable non-restricted equity in accordance with the Companies Act 13:5 §

	2019	2018
Retained earnings	13,815,082.04	504,796.04
Profit (loss) for the period	804,846.05	13,310,286.00
Reserve for invested unrestricted equity	51,006,698.24	3,127,136.95
Distributable funds total	65,626,626.33	16,942,218.99

Ownership in group companies

Company name	Domicile		Group	Parent company
Startax Finland Oy	Tampere	Finland	100.00%	100.00%
Awimex International AB	Simrishamn	Sweden	100.00%	0.00%
Startax Sweden AB	Stockholm	Sweden	100.00%	100.00%
Relais Group Sweden AB	Stockholm	Sweden	100.00%	100.00%
AB Reservdelar	Stockholm	Sweden	100.00%	0.00%
EKG Automotive AB	Stockholm	Sweden	100.00%	0.00%
Huzells i Karlstad AB	Karlstad	Sweden	100.00%	0.00%
Startax AS	Tallinn	Estonia	100.00%	100.00%
Startax Maskin-Teknisk As	Oslo	Norway	100.00%	100.00%
Startax Latvia SIA	Riga	Latvia	100.00%	100.00%
Startax Lithuania UAB	Vilnius	Lithuania	100.00%	100.00%

Receivables

	Group		Parent company	
	2019	2018	2019	2018
Short-term receivables				
From Group companies				
Loan receivables	0.00	0.00	168,216.95	5,000.00
Prepaid expenses and accrued income	0.00	0.00	22,545.84	156.95
Other receivables	0.00	0.00	4,985,396.73	0.00
	0.00	0.00	5,176,159.52	5,156.95
Receivables from others				
Loan receivables	0.00	674,597.10	0.00	674,597.10
Trade receivables	11,908,990.62	7,821,096.83	0.00	0.00
Prepaid expenses and accrued income	2,839,855.52	1,570,353.60	31,448.33	700,429.47
Deferred tax assets	0.00	284,582.00	0.00	0.00
Other receivables	240,717.83	19,195.20	22,858.02	12,809.39
	14,989,563.96	10,369,824.73	54,306.35	1,387,835.96
Material items included in the prepaid expenses and accrued income				
Prepaid rents and leasing payments	94,054.94	73,739.76	0.00	3,431.70
Prepaid interest receivables	0.00	17,537.51	0.00	17,537.51
Accrued taxes	709,803.07	247,922.77	0.00	0.00
Accrued annual reimbursement	1,023,648.10	407,657.58	0.00	0.00
Other	1,012,349.41	823,495.98	31,448.33	679,617.21
	2,839,855.52	1,570,353.60	31,448.33	700,586.42

Liabilities

	Group		Parent company	
	2019	2018	2019	2018
Non-current liabilities				
Loans from financial institutions	59,387,658.97	13,719,096.54	0.00	5,700,000.00
Junior loan	0.00	1,600,000.00	0.00	1,600,000.00
Other liabilities	122,000.00	122,000.00	0.00	0.00
Deferred tax liabilities	2,320,943.04	98,649.98	0.00	0.00
	61,830,602.01	15,539,746.52	0.00	7,300,000.00
Debts to Group companies	0.00	0.00	0.00	9,999,928.22
	0.00	0.00	0.00	9,999,928.22
Current liabilities				
Loans from financial institutions	4,762,783.98	5,705,188.00	0.00	4,500,000.00
Junior loan	0.00	400,000.00	0.00	400,000.00
Trade payables	6,559,699.46	3,966,911.08	79,215.35	8,940.98
Accrued expenses and deferred income	2,962,259.97	2,382,492.99	140,558.01	780,309.93
Other liabilities	3,170,254.68	2,522,136.79	109,312.88	13,533.85
	17,454,998.08	14,976,728.87	329,086.24	5,702,784.76
Debts to Group companies				
Trade payables	0.00	0.00	0.00	427.80
Other liabilities	0.00	0.00	0.00	0.00
	0.00	0.00	0.00	427.80
Material items included in the accrued expenses and deferred income				
Accrued wages and salaries	2,096,034.23	1,332,764.73	140,558.01	90,119.17
Other	866,225.74	1,049,728.26	0.00	690,190.76
	2,962,259.97	2,382,492.99	140,558.01	780,309.93

Other notes

Related party transactions

The Company's related parties include the Company's subsidiaries, Ari Salmivuori, Ajanta Oy and all companies where Salmivuori or Ajanta have control, joint control or significant influence since January 1, 2016. Since May 30, 2019 also NID and other companies controlled by it are related parties to the Company.

The Company's related parties also include the Board of Directors, Management Team as well as their family members and companies under their control of joint control.

The transactions with related parties have been conducted at standard market terms.

	Group		Parent company	
	2019	2018	2019	2018
Receivables and liabilities				
Sales receivables	8,942.83	0.00	0.00	0.00
Loan receivables	0.00	674,597.10	0.00	674,597.10
Interest receivables	0.00	17,539.52	0.00	17,539.52
Trade payables	41,471.56	0.00	0.00	0.00
Accrued expenses and deferred income	0.00	0.00	0.00	0.00

	Group		Parent company	
	2019	2018	2019	2018
Transactions				
Sales	68,313.76	0.00	0.00	0.00
Purchases	329,188.68	0.00	0.00	0.00
Services	127,079.15	0.00	0.00	0.00
Interest income	17,554.14	17,539.52	17,554.14	17,539.52
Interest expense	101,095.89	0.00	101,095.89	0.00

Off-balance sheet arrangements

	Group		Parent company	
	2019	2018	2019	2018
Loans from financial institutions				
Financing loans	64,150,442.95	11,405,188.00	0.00	10,200,000.00
Overdraft limit	0.00	8,019,096.54	0.00	0.00
Amount of overdraft limit granted	4,647,771.14	11,500,000.00	0.00	0.00
Available limit	4,647,771.14	3,480,903.46	0.00	0.00
Book value of pledged subsidiary shares	105,217,528.92	34,987,351.60	32,684,296	34,987,351.60
Mortgage on company assets	107,671,696.60	35,000,000.00	0.00	17,000,000.00
Book value of pledged bank accounts	23,537,117.42	0.00		0.00
Collateral for financial institution loans, total	236,426,342.94	69,987,351.60	32,684,296.47	51,987,351.60
Guarantees given on behalf of the companies belonging to the same group				
General guarantee	0.00	0.00	0.00	10,000,000.00
Mortgage on company assets	0.00	0.00	0.00	17,000,000.00
Other	0.00	0.00	0.00	127,633.00
Rental liabilities on facilities				
Payable in the next 12 months	3,642,531.25	2,452,163.00	0.00	0.00
Payable later	21,625,971.00	21,069,873.00	0.00	0.00
Amounts payable for leasing contracts				
Payable in the next 12 months	339,647.63	214,951.31	4,440.19	10,656.00
Payable later	413,002.64	408,987.92	0	0.00
Other liabilities				
Rental securities	1,943,689.60	1,943,689.60	0	0.00
Other guarantees	200,000.00	200,000.00	0	0.00
Corporate cards	11,777.33	43,870.54	0	2,481.35
	2,155,466.93	2,187,560.14	0.00	2,481.35

Group Key Figures

EUR	2019	2018
Net sales	98,945,531.90	72,451,836.13
Net sales growth, %	36.6%	-
Gross profit	33,089,767.00	24,315,872.46
Gross margin, %	33.4%	33.6%
EBITDA	13,335,191.40	8,730,723.41
EBITDA margin, %	13.5%	12.1%
EBITA	12,975,997.17	8,395,387.23
EBITA margin, %	13.1%	11.6%
Operating profit	7,855,644.83	5,722,944.20
Operating profit margin, %	7.9%	7.9%
Profit (loss) for the period	383,978.72	3,092,262.53
Profit (loss) for the period margin, %	0.4%	4.3%
Comparable profit (loss)	3,619,913.82	3,092,262.53
Comparable profit (loss) margin, %	3.7%	4.3%
Comparable profit (loss) excluding amortisation of goodwill	8,740,266.17	5,764,705.55
Comparable profit (loss) excluding amortisation of goodwill margin, %	8.8%	8.0%
Items affecting comparability included in profit (loss) for the period	-3,235,935.10	0
Net working capital	45,391,161.71	29,647,890.66
Inventories	43,093,811.85	29,108,785.90
Free cash flow	9,951,786.07	6,083,441.39
Cash conversion	74.9 %	69.7%
Net debt	34,549,954.31	18,563,126.40
Net debt to EBITDA, annualised	2.6	2.1
Net gearing	54%	108.1%
Equity ratio	45%	36.0%
Return on investment (ROI)	6.2%*)	15.4%*)
Return on equity (ROE)	1.4%*)	21.2%*)
Return on assets (ROA)	5.4%*)	12.6%*)
Earnings per share, basic (EUR)	0.03	0.36
Earnings per share, diluted (EUR)	0.03	0.34
Comparable earnings per share, basic (EUR)	0.31	0.36
Comparable earnings per share, diluted (EUR)	0.29	0.34
Comparable earnings per share excluding amortisation of goodwill, basic (EUR)	0.76	0.67
Comparable earnings per share excluding amortisation of goodwill, diluted (EUR)	0.71	0.64
Average number of employees	214	153
Personnel at the end of the period, FTE	258	147

* Items affecting comparability and amortization of goodwill not eliminated in calculating these KPI's.

Calculation of Key Figures

Key figure	Definition
EBITA ¹	Operating profit + amortisation of consolidated goodwill
EBITDA ¹	Operating profit + depreciation, amortization and impairments
Gross profit	Net sales - materials and services
Gross margin	Gross profit / net sales *100
Items affecting comparability included in operating profit	Material items outside ordinary course of business, such as items related to business acquisitions, restructuring, and gains and losses from disposal of non-current assets.
Items affecting comparability included in profit (loss) for the period	Items affecting comparability included in operating profit + listing expenses + other non-recurring finance expenses + group contributions + tax impact of items affecting comparability
Comparable operating profit ¹	Operating profit + items affecting comparability included in operating profit
Comparable profit (loss) for the period ¹	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period
Comparable profit (loss) for the period excluding amortisation of goodwill ¹	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period + amortisation of consolidated goodwill
Comparable earnings per share, basic	Comparable profit (loss) / weighted average number of shares outstanding during the period
Comparable earnings per share, diluted	Comparable profit (loss) / weighted average number of shares outstanding during the period + dilutive potential shares
Comparable earnings per share excluding amortisation of goodwill, basic	Comparable profit (loss) excluding amortisation of goodwill / weighted average number of shares outstanding during the period
Comparable earnings per share excluding amortisation of goodwill, diluted	Comparable profit (loss) / weighted average number of shares outstanding during the period + dilutive potential shares
Earnings per share, basic	Profit (loss) for the period / weighted average number of shares outstanding during the period
Earnings per share, diluted	Profit (loss) for the period / weighted average number of shares outstanding during the period + dilutive potential shares

Key figure	Definition
Net working capital	Inventories + short-term trade receivables + other receivables + prepaid expenses and accrued income - trade payables - other current liabilities - accrued expenses and deferred income
Free cash flow	Operating cash flow before working capital changes + change in working capital + purchase of tangible and intangible assets
Cash conversion	Free cash flow / EBITDA
Net debt	Loans from financial institutions + other loans and purchase consideration liability + capital loans - loan receivables - receivables from Group companies - subscribed capital unpaid - cash at bank and in hand
Net debt to EBITDA	Net debt / EBITDA (half-year period figures annualised multiplying by two)
Net gearing	Net debt / Equity + minority interest
Equity ratio	Equity + minority interest / Equity and liabilities, total
Return on investment (ROI)	(Operating profit + other interest and financial income - listing expenses, (half-year period figures annualized multiplying by two) / (Equity + minority interest + loans from financial institutions + other loans + capital loans + convertible bonds, average)
Return on equity (ROE)	Profit (loss) for the period + minority interest, (half-year period figures annualised multiplying by two) / (Equity + minority interest, average)
Return on assets (ROA)	(Operating profit + other interest financial income - listing expenses, half year period figures annualized multiplying by two) / (Total assets, average)

¹ Key measure margin, % has been calculated by dividing the measure with net sales and multiplying by 100.

Reconciliation of Alternative Performance Measures

	2019	2018
Net sales	98,945,531.90	72,451,836.13
Materials and services	-65,855,764.90	-48,135,963.67
Gross profit	33,089,767.00	24,315,872.46
Gross margin, %	33.4%	33.6%
Operating profit	7,855,644.83	5,722,944.20
Depreciation, amortisation and impairments	5,479,546.57	3,007,779.21
EBITDA	13,335,191.40	8,730,723.41
EBITDA margin, %	13.5%	12.1%
Operating profit	7,855,644.83	5,722,944.20
Amortisation of goodwill	5,120,352.35	2,672,443
EBITA	12,975,997.17	8,395,387.23
EBITA margin, %	13.1%	11.6%
Profit (loss) for the period	383,978.72	3,092,262.53
Items affecting comparability included in profit (loss) for the period		
Listing expenses	-2,728,582.79	0.00
Other non-recurring finance expenses	-1,324,862.31	0.00
Tax impact of items affecting comparability	817,510.00	0.00
Items affecting comparability included in profit (loss) for the period	-3,235,935.10	0.00
Comparable profit (loss)	3,619,913.82	3,092,262.53
Comparable profit (loss) margin, %	3.7%	4.3%
Amortisation of goodwill	5,120,352.35	2,672,443.03
Comparable profit (loss) excluding amortisation of goodwill	8,740,266.17	5,764,705.55
Comparable profit (loss) excluding amortisation of goodwill margin, %	8.8%	8.0%
Operating cash flow before working capital changes	13,288,137.09	8,728,012.35
Change in working capital	-2,944,593.94	-2,436,924.36
Purchase of tangible and intangible assets	-391,757.09	-207,646.60
Free cash flow	9,951,786.07	6,083,441.39
Cash conversion	74.9%	69.7%

Signatures for Financial Statements and Report of the Board of Directors

Vantaa, 5 March 2020

Kari Stadigh
Chairman of the Board

Olli-Pekka Kallasvuo
Board member

Katri Nygård
Board member

Jesper Otterbeck
Board member

Arni Ekholm
Chief Executive Officer

Auditor's note

A report on the audit performed has been issued today.

Helsinki, 5 March 2020

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

Auditor's Report

(Translation of the Finnish original)

To the Annual General Meeting of Relais Group Oyj

Report on the Audit of the Financial Statements

Opinion

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

What we have audited

We have audited the financial statements of Relais Group Oyj (business identity code 2566730-3) for the year ended 31 December 2019. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures

are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information that we have obtained prior to the date of this auditor's report is the report of the Board of Directors.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the

financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 5 March 2020

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

RELAIS

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