

RELAIS



Financial Statement Bulletin
January – December 2020

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**RELAIS GROUP PLC FINANCIAL STATEMENT BULLETIN JANUARY 1–DECEMBER 31, 2020
(unaudited) – RECORD-BREAKING GROWTH IN AN EXCEPTIONAL YEAR, DIVIDEND PROPOSAL
EUR 0.30 PER SHARE**

SUMMARY

JULY–DECEMBER 2020 IN BRIEF

- Net sales totaled EUR 70.0 (July–December 2019: 61.2) million, +14.3% change
- EBITDA was EUR 11.4 (9.3) million or 16.3% (15.2%) of net sales, +22.8% change
- EBITA was EUR 11.2 (9.1) million or 16.0% (14.9%) of net sales, +23.3% change
- EBIT was EUR 7.4 (5.7) million or 10.6% (9.3%) of net sales, +30.9% change
- Comparable earnings per share excluding amortisation of goodwill (undiluted) was EUR 0.58 (0.41)
- Sales in the second half of the year were very strong overall, with record-high sales during the lighting season
- The impacts of the COVID-19 pandemic on the Group's business were clearly lower in the second half of the year than in the first half
- The Group's operating cash flow was very strong
- Acquisition of Strands Group on 14 December 2020
- Renewed and expanded financing agreement signed on 15 December 2020

JANUARY–DECEMBER 2020 IN BRIEF

- Net sales totaled EUR 128.9 (January–December 2019: 98.9) million, +30.3% change
- EBITDA was EUR 19.1 (13.3) million or 14.8% (13.5%) of net sales, +43.4% change
- EBITA was EUR 18.7 (13.0) million or 14.5% (13.1%) of net sales, +44.2% change
- EBIT was EUR 11.1 (7.9) million or 8.6% (7.9%) of net sales, +41.1% change
- Comparable earnings per share excluding amortisation of goodwill (undiluted) was EUR 0.87 (0.76)
- Acquisition of a 70% stake in SEC Scandinavia A/S on January 16, 2020
- Acquisition of a 95.25% stake in TD Tunga Delar Sverige AB on February 6, 2020
- Net sales were increased by acquisitions, strong spare parts sales especially in Sweden and excellent sales during the lighting season in all of the Group's operating countries
- The impacts of the COVID-19 pandemic on net sales and the resulting cost reduction measures mostly took place in the first half of the year
- Based on the strong and stable financial performance and the high cash conversion inherent to the Group's business, the Board of Directors proposes to the Annual General Meeting to be held on March 30, 2021, that a dividend of EUR 0.30 (0.10) per share be distributed. A separate notice of the Annual General meeting will be given on a later date

Relais Group Plc acquired the shares of AB Reservdelar (ABR) and Huzells i Karlstad AB on May 31, 2019. The companies have been included in Relais Group's consolidated balance sheet from May 31, 2019 and in the consolidated income statement from June 1, 2019. This financial statement bulletin on the reference data concerning the first half of FY2019 includes the figures for the acquired companies from the dates of joining as stated hereinabove.

Relais Group Plc acquired 70% of the shares of SEC Scandinavia A/S ("SEC") on January 16, 2020. On February 6, 2020 it acquired 95.25% of the shares of TD Tunga Delar Sverige AB (TD"). SEC has been included in consolidated group figures from January 1, 2020 and TD from February 1, 2020.

KEY FIGURES

EUR thousand	Jul – Dec 2020	Jul – Dec 2019	Jan – Dec 2020	Jan – Dec 2019
Net sales	69,965	61,225	128,924	98,946
Gross profit	24,651	20,723	44,996	33,090
EBITDA	11,420	9,296	19,127	13,335
EBITDA margin, %	16.3%	15.2%	14.8%	13.5%
EBITA	11,221	9,100	18,711	12,976
EBITA margin, %	16.0%	14.9%	14.5%	13.1%
Operating profit	7,424	5,671	11,088	7,856
Operating profit margin, %	10.6%	9.3%	8.6%	7.9%
Profit (loss)	6,007	658	6,937	384
Profit (loss) margin, %	8.6%	1.1%	5.4%	0.4%
Comparable profit (loss) excluding amortisation of goodwill	9,805	6,010	14,562	8,740
Comparable profit (loss) excluding amortisation of goodwill margin, %	14.0%	9.8%	11.3%	8.8%
Return on equity (ROE), %	n/a	n/a	10.3%*)	1.4%*)
Equity ratio	46.7%	44.5%	46.7%	44.5%
Net gearing	39.2%	54.3%	39.2%	54.3%
Earnings per share, basic, EUR	0.36	0.05	0.42	0.03
Earnings per share, diluted, EUR	0.34	0.04	0.40	0.03
Comparable earnings per share, basic, EUR	0.36	0.18	0.42	0.31
Comparable earnings per share, diluted, EUR	0.34	0.17	0.40	0.29
Comparable earnings per share excluding amortisation of goodwill, basic, EUR	0.58	0.41	0.87	0.76
Comparable earnings per share excluding amortisation of goodwill, diluted, EUR	0.56	0.40	0.84	0.71
Personnel at the end of the period, FTE	296	258	296	258

*) Items affecting comparability and amortisation of goodwill not eliminated

COMMENTS BY CEO ARNI EKHOLM:

Strong growth driven by a clear strategy

“Relais Group's business grew very strongly during the financial year 2020. We achieved net sales of EUR 128.9 million, representing a year-on-year increase of 30 percent. EBITA grew by 44 percent. Growth was particularly strong during the second half of the year.

Relais has a very clear and sharp strategy and we continued its purposeful and uncompromising execution in 2020. Our strategy's cornerstones are growth at a rate that exceeds the market's average growth by leveraging acquisition-related synergies, active and targeted acquisitions and creating added value for our customers through our comprehensive product range and digital service solutions.

In summer 2019 we set a strategic target to double the turnover of the company in 5 years. As it is now very probable that we will reach the target substantially earlier, the company intends to redefine the target at a later stage this year.

The effectiveness and resilience of our strategy was particularly highlighted during the market instability caused by the global COVID-19 pandemic. Our business developed favorably despite the wide-ranging restrictions in society, especially during the second half of the year. We were able to look after the safety of our employees and stakeholders and serve our customers without disruptions in circumstances that were at times highly challenging. Our personnel demonstrated outstanding commitment and flexibility, and I want to take this opportunity to express my warmest thanks to them.

Growth in all of the Group's main markets

We further strengthened our position as a forerunner in the vehicle life cycle enhancement business in the Nordic region. Especially in Sweden, our organic growth was strong throughout the year. The financial year 2020 was the first full year of ABR and Huzells, which we acquired in 2019, being reported as part of Relais Group. We were able to effectively leverage synergies, particularly by expanding the distribution of our Group's own lighting products in the Swedish market.

The Finnish market was weighed down in the first half of the year by the exceptionally warm winter and especially the shutdowns related to the COVID-19 pandemic in the second quarter. However, in the second half of the year, we were able to increase our sales substantially faster than the market's average growth rate.

Highly targeted and successful acquisitions

We carried out three targeted strategic acquisitions in 2020. In January, we created a bridgehead in the Danish vehicle lighting market by acquiring a majority stake in the Danish company SEC Scandinavia AS. In February, we strengthened our position in heavy duty vehicle spare parts and equipment, which is an important market segment for us, by acquiring a majority stake in the Swedish company TD Tunga Delar AB. In December 2020, we announced the acquisition of Strands Group AB, a Swedish company that exports vehicle lighting products globally, which further strengthened our position as one of the most significant players in the European vehicle lighting aftermarket.

Our agile and efficient integration process ensures that synergies from acquisitions are fully leveraged – for example, by consolidating purchasing volumes and coordinating product ranges between the Group companies. At the same time, our companies maintain a strong local identity and ownership of customer accounts.

Commercial vehicles and lighting solutions as increasingly important pillars for the Group's business

The commercial vehicle segment has become an increasingly important pillar for Relais and we see further opportunities in the development of related business operations at the Nordic level. At the time of writing this review, we have just completed the acquisition of Raskone, a nationwide multi-brand maintenance and repair workshop chain in Finland. The commercial vehicle maintenance and repair business supports our growth and brings us one step closer to end customers in the commercial vehicle segment. Having an in-depth understanding of our customers' needs makes it possible for us to develop even better service concepts in the future.

The vehicle lighting solutions market represents global potential for us. We have an extensive range of lighting products, mostly under our own brands, and our goal is to further develop our selection in response to customer needs. With Strands having joined our family, we are in an even stronger position in this market and the share of the Group's total sales represented by our own brands will grow significantly.

Digital solutions and sustainability are at the core of what we do

The digital transformation is one of the key drivers of our growth. In 2020, we continued to develop the functionality of our digital product catalogs to benefit our customers and ensure even smoother customer service. For example, having precise and clear search criteria for spare parts reduces unnecessary product returns and the associated adverse environmental impacts. Our goal is to continue to exceed customer expectations and take full advantage of the business development opportunities presented by the digital transformation.

Sustainability is an integral aspect of our day-to-day work. We take good care of our employees, customers and partners, and we set clear sustainability criteria for our suppliers. A substantial proportion of the spare parts we deliver to the market are part of the circular economy and our efficient recycling system ensures that refurbishable parts return to new use after they are factory refurbished.

I want to take this opportunity to extend my warmest thanks to our customers, partners and shareholders for the past year. A great deal of credit for our success goes to our personnel, who demonstrated excellent flexibility, commitment and team spirit during the exceptional year.

Good position for the year 2021

We enter 2021 with confidence. Relais is a high-growth company, and we will continue the purposeful execution of our strategy through organic growth as well as targeted acquisitions. Based on our strong and stable financial performance and the high cash conversion inherent to the Group's business, the Board feels confident to propose a substantially increased dividend of 0.30 EUR per share to the Annual General Meeting.

STRATEGY

Relais aims to be a forerunner in vehicle life cycle enhancement in the Nordic and Baltic countries. Relais focuses on value generation through the vehicle life cycle, and it operates on the aftermarket, which is independent from vehicle manufacturers.

Relais' strategy is based on three key elements, which together also form a platform for the company's profitable growth in the future:

- Relais aims to continue growing at an average pace exceeding the market growth, which is supported by targeted synergies, e.g. cross-sales between the existing and acquired entities.
- Relais aims to create customer value through Relais' comprehensive product range, digital platform, and superior customer service.
- Relais strives to continue targeted acquisitions and aims to be an active player in the consolidation of the Nordic and Baltic vehicle aftermarket sector.

Relais plans to capitalize on the growing addressable market, with approximately 19 million passenger cars and commercial vehicles already on the road in the Nordic and Baltic countries.

OUTLOOK AND LONG-TERM FINANCIAL TARGETS

Relais has been able to demonstrate the effectivity and resilience of its business model even under the challenging circumstances of the year 2020. The strong financial position of Relais gives the company a good possibility to continue the successful implementation of the chosen strategy also in 2021. Even if the market conditions as a whole are stable at the time of this financial bulletin publication, the continuing COVID-19 pandemic still weakens the predictability of the market development. Therefore, the company does not provide a numeric guidance for financial year 2021.

The targets for Relais' strategy period extending to 2024 have been defined in summer 2019 as follows:

The company aims to double its net sales in five years. The company aims to grow through a combination of organic growth and acquisitions.

- Organic growth: Relais aims to continue growing at an average pace exceeding the market growth, which is supported by targeted synergies, e.g. cross-sales between the existing and acquired entities.
- Based on Relais management's view, the overall market has been growing during recent years at a moderate but stable rate of approximately 1–3 percent annually, depending on product category and geography.

- M&A based growth: The company targets to make 1–2 acquisitions per year, where targeted synergies are expected to support earnings growth.
- The company considers it very probable that the aforementioned strategic 5-year growth target will be reached substantially earlier than 2024. The company therefore intends to redefine the target at a later stage this year.

THE IMPACTS OF THE COVID-19 PANDEMIC AND ACTIONS TAKEN IN 2020

The COVID-19 pandemic affected the company's operations in several areas during the financial year, but the financial impacts of the pandemic were minor thanks to active measures and the strong development of sales in the latter half of the year.

In the initial stages of the pandemic, the impacts were assessed from the perspective of Asian purchasing connections and ensuring the functioning of the supply chain. When the situation changed in March and the pandemic began to spread in Europe, the company took quick action to ensure the safety of the employees and customers and manage the financial impacts of the pandemic. The aim was to safeguard the Group's strong cash position intended for strategic investments and maintain the company's capacity to operate even in the event of prolonged disruptions. As part of the precautionary measures, it was agreed that the Group would not make its semiannual repayments on loans in the first half of the year, even though the Group's liquidity would have allowed it.

The targeted cost reductions implemented by the Group enabled a quick reaction to the disruptions in sales development seen in March–April. The expenditure of resources on external services was reduced and temporary layoffs were made in the companies and functions in which they were unavoidable due to sales development or reduced customer volumes due to the pandemic-related restrictions.

Based on the information available to the company, the incidence of COVID-19 cases among the Group's personnel has been low. The Group companies have extensively implemented remote work practices and made arrangements to enhance the occupational safety of operating premises since the start of the pandemic.

FINANCIAL REVIEW 1 JANUARY – 31 DECEMBER 2020

Financial result

Relais Group's net sales for the financial year amounted to EUR 128.9 (98.9) million, representing a year-on-year increase of 30.3%. A significant proportion of the increase in net sales was attributable to the ABR and Huzells acquisitions completed in May 2019 and the SEC and TD Tunga Delar acquisitions completed in January and February 2020. The strong growth was driven by good demand for spare parts, especially in Sweden, and the record-high sales in the lighting products category in all of the Group's operating countries.

The Group's EBITDA amounted to EUR 19.1 (13.3) million for the financial year. A significant proportion of the growth in EBITDA was attributable to the acquisitions made in 2019–2020, but operational development and cost reductions achieved in response to the COVID-19 pandemic also improved profitability to a substantial extent. Due to the seasonality of the Group's business, more of the EBITDA was accumulated during the second half of the year than the first.

EBITA increased year-on-year during the financial year 2020 and came to EUR 18.7 (13.0) million, or 14.5 (13.1) per cent of net sales. Nearly all Group companies managed to substantially improve their profitability year-on-year and the profitability of all Group companies remained at a good level. Fixed operating costs were managed successfully in spite of the business environment being challenging at times due to the pandemic.

EBIT for the financial year increased year-on-year and amounted to EUR 11.0 (7.9) million, or 8.6% (7.9%) of net sales. The development of the Group's EBIT was influenced by the previously mentioned factors as well as the higher amortisation of goodwill following the acquisitions made in 2019–2020.

Profit for the financial year came to EUR 6.9 (0.4) million. Profit was weighed down by the aforementioned amortisation of goodwill. The substantial growth in profit was attributable to the positive development of profitability as well as the fact that the profit for 2019 was weighed down by financial expenses, namely IPO-related expenses and financial restructuring expenses, which totaled approximately EUR 4.1 million.

Balance sheet, financing and investments

The balance sheet total at the end of the financial year, on December 31, 2020, stood at EUR 154.6 (143.0) million. The Group's equity amounted to EUR 71.9 (63.7) million and net debt at the end of the review period was EUR 28.3 (34.6) million. Net gearing was 39.2% (54.3%) and the equity ratio was 46.7% (44.5%). Cash and cash equivalents at the end of the review period totaled EUR 34.7 (29.6) million.

In December 2020, the Group agreed on extensions and amendments to its Facilities Agreement originally concluded in 2019 with its main bank. The Amended and Restated Facilities Agreement includes the refinancing of existing financing for corporate acquisitions and a new term loan facility of EUR 40 million for possible future corporate acquisitions. The Amended and Restated Facilities Agreement will remain in force until the end of May 2023.

The maximum amount of financial liabilities under the Amended and Restated Facilities Agreement is EUR 111 million, comprising financing for corporate acquisitions of a maximum of EUR 104 million and an RCF limit of EUR 7 million. On the financial statements date, the amount of financing not yet drawn down was EUR 40 million of the loan facility for corporate acquisitions and EUR 4.8 million of the RCF limit.

The terms of the Amended and Restated Facilities Agreement are clearly more favorable to Relais than previously. The agreement contains both a more favorable interest rate margin and significant relaxations of collateral arrangements and covenants and of restrictions on investments and intra-group transfers of funds. The Amended and Restated Facilities Agreement does not contain a separate covenant concerning the distribution of dividends.

The Group's operating cash flow for the financial year amounted to EUR 16.1 (1.8) million. The strong development of cash flow was attributable to the acquisitions made in 2019–2020, the favorable development of the Group's business, successful working capital management and the effect of IPO-related and non-recurring financial expenses on the cash flow in 2019.

The Group's cash flow from investments during the financial year came to EUR -8.7 (-64.4) million, mainly consisting of the cash consideration associated with the acquisitions of TD Tunga Delar Sverige AB and SEC Scandinavia A/S. Investments in tangible and intangible assets decreased year-on-year.

The Group's cash flow from financing amounted to EUR -2.9 (90.3) million. The most significant financing events during the financial year were the refinancing agreement in December and the dividend payment decided on by the Extraordinary General Meeting of September 8, 2020. As one precautionary measure related to the COVID-19 pandemic, the Group agreed in March 2020 with its bank that it would not make the installments previously scheduled for the first half of the year on the loans for corporate acquisitions withdrawn in 2019. The normal repayment schedule of the loans was resumed in the second half of the year.

CHANGES IN GROUP STRUCTURE

Relais acquired a 70% stake in the Danish company SEC Scandinavia A/S in a transaction completed on 16 January 2020. 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. The contract includes a mutual put and call option for the 30% minority interest in SEC Scandinavia A/S, valid until 30 June 2022.

Relais acquired a 95.25% stake in the Swedish company TD Tunga Delar Sverige AB in a transaction completed on 6 February 2020. Tunga Delar is a nationwide wholesale company in Sweden that specialises in spare parts and equipment for heavy commercial vehicles. In addition, Relais has a purchase option for the minority shares, under which Relais can claim the shares held by the minority interest in March–April 2022.

On 14 December 2020, Relais signed an agreement on acquiring the entire share capital of the Swedish company Strands Group AB. Strands is one of the most significant players in the Nordic vehicle lighting and accessories aftermarket. The acquisition was completed on 11 January 2021.

PERSONNEL AND MANAGEMENT

The Group employed an average of 290 (214) personnel between January and December. On 31 December 2020, at the end of the financial year, personnel amounted to 296 (258), representing an increase of 38. The increase is explained by the impact of acquisitions, the number of personnel otherwise remained stable.

Salaries and fees paid from January to December totalled EUR 12.9 (9.5) Million. The significant increase was driven by the acquisitions.

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 (Scandinavia) Juan Garcia and Managing Director (Finland and Baltics) Ville Mikkonen.

ANNUAL GENERAL MEETING ON JUNE 8, 2020 AND THE BOARD AUTHORIZATIONS IN EFFECT

The AGM confirmed the company's financial statements for the financial year January 1–December 31, 2019 and discharged the members of the Board of Directors and the Managing Director from liability.

The AGM decided that four members be elected to the Board of Directors and re-elected Olli-Pekka Kallasvuo, Katri Nygård, Jesper Otterbeck and Kari Stadigh as board members. In the Board Meeting held after the AGM, the Board of Directors re-elected Kari Stadigh as Chairman of the Board.

The AGM decided that the members of the Board of Directors will not be paid any remuneration for Board or potential Committee membership.

The AGM re-elected PricewaterhouseCoopers Oy, Authorized Public Accountants, as the company's auditors with Janne Rajalahti, Authorized Public Accountant, acting as the principal auditor.

The AGM decided to accept the Board's proposal on profit distribution, according to which the profit for the financial period, EUR 804,846.05, will be added to retained earnings and no dividend will be paid.

The AGM authorized the Board of Directors to resolve on the acquisition of a maximum of 1,682,000 of the company's own shares in one or more tranches using the company's unrestricted equity. The company may buy back shares in order to develop its capital structure, finance and implement any corporate acquisitions or other transactions, implement share-based incentive plans, pay board fees, or otherwise transfer or cancel them. The company may buy back shares in public trading on marketplaces whose rules and regulations allow the company to trade in its own shares. In such a case, the company buys back shares through a directed purchase, i.e. in a proportion other than its shareholders' holdings of company shares, with the consideration paid for the shares based on their publicly quoted market price so that the minimum price of the purchased shares equals the lowest market price quoted in public trading during the authorization period and, similarly, their maximum price equals the highest market price quoted in public trading during that period. The authorization is effective until the end of the Annual General Meeting held in 2021, yet no further than until June 30, 2021. This authorization shall supersede the buyback authorization granted at the earlier General Meetings.

The AGM authorized the Board of Directors to decide on issuing a maximum of 3,364,000 shares in a share issue or on granting special rights (including stock options) entitling holders to shares as referred to in Chapter 10 Section 1 of the Companies Act, in one or several tranches. This authorization may be used to finance and implement any prospective corporate acquisitions or other transactions, to implement the company's share-based incentive plans, or for other purposes determined by the Board. The authorization grants the Board the right to decide on all terms and conditions governing the share issue and the granting of

said special rights, including the subscribers or the recipients of said special rights and the payable consideration. The authorization also includes the right to issue shares by deviating from the shareholders' preemptive rights, i.e. by issuing them in a directed manner. The authorization of the Board covers the issue of new shares and the transfer of any shares that may be held by the company.

The authorization is effective until the end of the Annual General Meeting held in 2021, yet no further than until June 30, 2021. This authorization shall supersede previous authorizations resolved in General Meetings concerning the issue of shares and special rights entitling you to shares.

EXTRAORDINARY GENERAL MEETING

The EGM of 8 September 2020 accepted the Board's proposal regarding a dividend of EUR 0.10 per share be paid, the dividend distribution being the only decision-making item on the EGM's agenda.

CURRENT OPTION SCHEMES

The company has option-based incentive plans intended for the company's management personnel. On 31 December 2020, the members of the Board of Directors and the Management Team of Relais owned a total of 1,032,550 option rights, entitling to the issue of 1,032,550 shares, corresponding to approximately 6.1% of Relais shares and votes. Additionally, on 31 December 2020, 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).

SHARES AND SHAREHOLDERS

The company's registered share capital was EUR 80,000 on 31 December 2020, and the number of shares recorded in the trade register was 16,820,050.

The number of company's shares was increased by 606,250 with the share issue directed to the sellers and shareholders of TD Tunga Delar Sverige AB. The increase of shares was entered into trade register on 20 March 2020.

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).

According to the shareholder register maintained by Euroclear Finland, Relais had 2,462 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 2020:

Shareholder	Number of shares	%
1. Ari Salmivuori	6,328,800	37.6
2. Nordic Industry Development AB ¹	3,932,100	23.4
3. Ajanta Oy ²	464,800	2.8
4. Finnish Industry Investment Ltd (Tesi)	462,949	2.8
5. Elo Mutual Pension Insurance	396,813	2.4
6. Rausanne Oy	360,718	2.1
7. Ilmarinen Mutual Pension Insurance Company	312,000	1.9
8. Kari Stadigh	292,200	1.7
9. Evli Finland Select Fund	263,061	1.6
10. Solesol Oy	221,625	1.3
11. Ville Mikkonen	174,800	1.0
Ten largest combined	13,209,866	78.5
Other shareholders	3,610,184	21.5
Total	16,820,050	100.0

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

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

On 31 December 2020, the members of the Board of Directors and the Executive Team of Relais owned a total of 4,570,050 Relais shares, corresponding to approximately 27.2% of all shares and the resulting vote share. The number of shares includes those held by the persons themselves as well as those held by close associates and controlled corporations.

	Shares
Arni Ekholm	30,250
Juan Garcia ¹	62,050
Olli-Pekka Kallasvuo ²	44,300
Ville Mikkonen	174,800
Katri Nygård	29,350
Jesper Otterbeck ³	3,932,100
Pekka Raatikainen	5,000
Kari Stadigh	292,200
Total	4,570,050

¹Owned through JG Management AB, which is controlled by Juan Garcia.

²Owned through Entrada Oy, which is controlled by Olli-Pekka Kallasvuo.

³Owned through Nordic Industry Development AB, which is controlled indirectly by Jesper Otterbeck.

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 ongoing coronavirus pandemic can be mentioned as an example of a macroeconomic risk. In addition, the threat of cyber risks has increased.

The company has a growth strategy that involves risks, particularly with acquisition-based growth. Such risks may include the scarcity of suitable acquisition targets, unfavorable 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 that 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 October 4, 2019 company prospectus.

MAJOR EVENTS AFTER THE REVIEW PERIOD

On 11 January 2021, the company announced that it had completed the acquisition of the 100% of the shares of Swedish company Strands Group AB announced on 14 December 2020.

Strands is one of the fastest growing brands in the vehicle lighting and accessories aftermarket in Europe. The Corporate Acquisition is fully in line with Relais' growth strategy and significantly broadens the Company's range of lighting products and brands. In addition, the Corporate Acquisition opens up additional geographic markets for the Company in Europe and elsewhere. The Corporate Acquisition further strengthens the position of vehicle lighting aftermarket as a strategic growth area for Relais.

The purchase price of the entire stock of Strands was SEK 182,200,000, of which SEK 40,700,000 was paid by shares in Relais and SEK 123,277,319 in cash. The cash component of the purchase price will be adjusted, and final purchase price will be determined as per the terms of Purchase Agreement once the calculations concerning certain check items have been finalized. The Purchase Agreement also includes the Sellers' right to an additional purchase price of a maximum of SEK 25,000,000 to be paid in cash if the financial targets agreed by the parties are reached by the end of 2022.

Relais paid the share component of the purchase price by issuing in a directed share issue a total of 388,851 new Relais Group shares to the sellers of Strands Group shares. The subscription price of the consideration shares was EUR 10.2243 per share, which corresponds to the share's trade volume weighted average rate on Nasdaq Helsinki First North Growth Market Finland marketplace during 2 November-11 December 2020. The shares were entered into the Trade Register on 9 February 2021.

On 29 January the company announced having acquired 100% of the shares of Raskone Oy, a Finnish company specialised in the commercial vehicle maintenance and repair business. Raskone is Finland's largest nationwide multi-brand maintenance and repair workshop chain for commercial vehicles, with a total of 19 workshops throughout Finland. The acquisition is part of Relais' growth strategy and gives Relais Group a significant new pillar for growth in the commercial vehicle segment. Raskone will be reported as part of Relais Group as of 1 February 2021.

The net sales of Raskone for the calculated financial period 1 January – 31 December 2020 were approximately EUR 63 million and EBITDA approximately EUR 4.7 million. The Company employs a total of approximately 460 people. The preliminary purchase price of the shares of Raskone was EUR 30,723,400. Lease Deal Group Oyj and Raskone Ltd's CEO Jan Popov acted as the sellers. EUR 27,651,060 of the purchase price was paid in connection with the closing, of which EUR 926,311 was paid in new Relais shares directed at Jan Popov, and the rest of the purchase price will be paid to the sellers in cash. The cash component of the purchase price will be adjusted, and the final purchase price will be determined after closing as per the terms of Purchase Agreement once the calculations concerning certain check items have been finalized.

Relais pays EUR 926,311 of the purchase price by issuing, in a directed share issue organised in connection with the closing of the acquisition, a maximum total of 67,423 new Relais Group shares to Jan Popov. The subscription price of the Consideration Shares is EUR 13.7390 per share, which corresponds to the share's trade volume weighted average rate on Nasdaq Helsinki First North Growth Market for 30 trading days preceding the closing of the transaction.

FINANCIAL RELEASES IN 2021

- Financial statements and report of the Board of Directors, 1 January – 31 December 2020
8 March 2021
- H1 Interim Report, 1 January – 30 June 2021
12 August 2021

INVITATION TO THE WEBCAST

Relais Group's CEO Arni Ekholm and CFO Pekka Raatikainen will present the result to the media, investors and analysts at a webcast on February 25, 2021 from 10:00 am. The webcast can be followed at: <https://relais.videosync.fi/2021-02-25-interim-report>.

Presentation material and video will be available on the company's website at <https://relais.fi/en/investors/> after the event.

ACCOUNTING PRINCIPLES OF THE FINANCIAL STATEMENT BULLETIN

The figures in the financial statement bulletin are unaudited and have been prepared in accordance with Finnish Accounting Standards (FAS).

Relais Group Plc

Board of Directors

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Distribution:
Nasdaq Helsinki
Key media
www.relais.fi

Relais Group Plc in brief

Relais Group is one of the leading players in the vehicle aftermarket in the Nordic and Baltic countries. We are an industrial operator with a sector focus on vehicle life cycle enhancement and related services. We also serve as a growth platform for the companies we own.

We are a profitable company seeking strong growth. We carry out targeted acquisitions in line with our growth strategy and want to be an active player in the consolidation of the aftermarket in our area of operation. Our acquisitions are targeted at companies having a good strategic fit with our group companies.

Our net sales amounted to EUR 128.9 (2019: 98.9) million in 2020, and we employed nearly 300 professionals in six different countries. Our share is listed on Nasdaq Helsinki Ltd's Nasdaq First North Growth Market Finland with the stock symbol RELAIS.

www.relais.fi

TABLE SECTION, 1 January – 31 December 2020

GROUP INCOME STATEMENT

EUR thousand	Jul – Dec 2020	Jul – Dec 2019	Jan – Dec 2020	Jan – Dec 2019
NET SALES	69,965	61,225	128,924	98,946
Other operating income	598	308	1,040	518
Materials and services				
Materials, supplies and goods				
Purchases during the period	-43,902	-41,221	-81,271	-68,310
Increase/decrease in inventories	-1,401	740	-2,639	2,491
External services	-11	-22	-19	-37
	-45,314	-40,502	-83,928	-65,856
Personnel expenses				
Wages and salaries	-6,787	-5,429	-12,876	-9,472
Social security expenses				
Pension expenses	-779	-789	-1,538	-1,470
Other social security expenses	-1,298	-957	-2,231	-1,423
	-8,864	-7,175	-16,645	-12,365
Depreciation, amortisation and impairments	-3,996	-3,625	-8,039	-5,480
Other operating expenses	-4,965	-4,561	-10,264	-7,907
OPERATING PROFIT	7,424	5,671	11,088	7,856
Financial income and expenses				
Other interest and financing income	2,129	15	2,235	54
Interest expenses and other financial expenses	-1,451	-3,431	-2,912	-5,419
	678	-3,416	-677	-5,365
Profit before taxes	8,102	2,255	10,411	2,491
Income taxes	-2,067	-1,518	-3,403	-1,931
Minority interest	-28	-80	-70	-175
Profit (loss) for the period	6,007	658	6,937	384

CONSOLIDATED BALANCE SHEET

EUR thousand	31 December 2020	31 December 2019
ASSETS		
NON-CURRENT ASSETS		
Immaterial rights	109	132
Goodwill	58,215	53,731
Other intangible assets	363	414
Intangible assets total	58,688	54,277
Machinery and equipment	602	653
Other tangible assets	62	81
Tangible assets total	664	735
Other shares and holdings	81	62
Investments total	81	62
TOTAL NON-CURRENT ASSETS	59,433	55,074
CURRENT ASSETS		
Finished products/goods	42,269	41,661
Advance payments	2,004	1,433
Inventories total	44,273	43,094
Deferred tax assets	284	284
Prepaid expenses and accrued income	0	2
Total long-term receivables	284	286
Trade receivables	13,123	11,909
Other receivables	359	241
Prepaid expenses and accrued income	2,491	2,840
Total short-term receivables	15,972	14,990
Cash at bank and in hand	34,669	29,600
TOTAL CURRENT ASSETS	95,198	87,970
TOTAL ASSETS	154,630	143,044

EUR thousand	31 December 2020	31 December 2019
EQUITY		
Share capital	80	80
Reserve for invested unrestricted equity	56,226	51,007
Retained earnings	8,702	12,214
Profit (loss) for the period	6,937	384
TOTAL EQUITY	71,946	63,685
MINORITY INTEREST	363	0
Provisions	157	0
LONG-CURRENT LIABILITIES		
Loans from financial institutions	58,014	59,388
Other loans and purchase consideration liability	129	122
Deferred tax liabilities	2,816	2,321
Total non-current liabilities	60,959	61,831
CURRENT LIABILITIES		
Loans from financial institutions	5,000	4,763
Trade payables	8,606	6,560
Other liabilities	3,671	3,244
Accrued expenses and deferred income	3,972	2,962
Total current liabilities	21,250	17,528
TOTAL LIABILITIES	82,209	79,359
EQUITY AND LIABILITIES TOTAL	154,630	143,044

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Jan – Dec 2020	Jan – Dec 2019
Profit (loss) for the period	6,937	384
Adjustments		
Depreciation, amortisation and impairments	8,039	5,480
Financing income and expenses	617	6,019
Income taxes	3,403	1,931
Minority interest in net income	70	175
Other adjustments	83	-701
Operating cash flow before changes in working capital	19,150	13,288
Changes in working capital		
Increase/decrease in inventories	2,013	-3,144
Increase/decrease in short-term receivables	281	4,000
Increase/decrease in short-term liabilities	-1,239	-3,800
Cash flow from operations before financial items and taxes	20,228	10,343
Interest and other financial expenses paid	-3,173	-6,119
Foreign Exchange gain/loss	1,470	0
Dividends received	0	15
Interest received	57	44
Taxes paid	-2,546	-2,484
Cash flow from operations	16,096	1,799
Acquisition of subsidiaries	-9,259	-64,779
Purchase of tangible and intangible assets	-199	-399
Repayment of loans receivable	708	675
Proceeds from sale of tangible and intangible assets	0	63
Net cash used in investing activities	-8,750	-64,441
Proceeds from issue of share capital	0	47,957
Dividends paid	-1,682	0
Proceeds from current borrowings	5,000	5,019
Repayment of current borrowings	-3,387	-11,105
Proceeds from non-current borrowings	60,427	69,627
Repayment of non-current borrowings	-63,245	-21,186
Net cash used in financing activities	-2,889	90,312
Increase/decrease in cash and cash equivalents	4,457	27,670
Cash and cash equivalents at the beginning of the period	29,600	2,309
Cash funds transferred in the merger	0	0
Effects of exchange rate fluctuations	611	-378
Cash and cash equivalents, at the end of the period	34,669	29,600

CHANGES IN THE GROUP'S EQUITY

EUR thousand	Share capital	Reserve for invested unrestricted equity	Retained earnings excluding translation differences	Translation differences	Retained earnings total	Total
Equity 1.1.2020	80	51,007	14,129	-1,531	12,598	63,685
Change in translation differences				-2,214	-2,214	-2,214
Share issue		5,219				5,219
Dividend distribution			-1,682		-1,682	-1,682
Profit (loss) for the period			6,937		6,937	6,937
Equity 31.12.2020	80	56,226	19,385	-3,745	15,640	71,946
Equity 1.1.2019	3	3,127	13,745	-347	13,398	16,528
Change in translation differences				-1,184	-1,184	-1,184
Share issue		43,488				43,488
Reclassification between classes, share capital	77	-77				
Investment in reserve for unrestricted equity		4,469				4,469
Profit (loss) for the period			384		384	384
Equity 31.12.2019	80	51,007	14,129	-1,531	12,598	63,685

ACCOUNTING PRINCIPLES

The financial statement bulletin for the 1 January – 31 December 2020 period has been prepared in accordance with Finnish Accounting Standards (FAS) and it adheres to the accounting principles of the consolidated financial statements of 2019. The financial information presented in the financial statement bulletin is unaudited. Financial and other information presented in the tables has been rounded.

SEASONALITY

The seasonality of the group's business has an impact on the demand for Relais's services, which in turn affects its net sales, net operating profit and cash flows. Variation in seasonal temperatures, such as warm summers and cold winters, can have an effect on the demand for batteries, starter motors and chargers as well as the need for vehicle air conditioning and heating. Additionally, the demand for lighting products, such as LEDs and auxiliary lights, typically grows in the autumn and winter months. Due to seasonal changes, Relais typically produces a greater net sales in the second half of the year.

EARNINGS PER SHARE

EUR	Jul-Dec 2020	Jul-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Earnings per share, basic	0.36	0.05	0.42	0.03
Earnings per share, diluted	0.34	0.04	0.40	0.03

	Jul-Dec 2020	Jul-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Number of outstanding shares at the end of the period	16,820,000	16,213,750	16,820,000	16,213,750
Weighted average number of shares, basic	16,820,000	14,576,082	16,688,834	11,602,091
Weighted average number of shares, diluted	17,529,827	15,256,627	17,398,661	12,282,636

Earnings per share and the number of shareholders for all displayed periods has been adjusted with the free issue (split) decided on by the Company's shareholders on 18 September 2019, where all Relais shareholders received 49 new shares towards every owned Relais share.

GROUP KEY FIGURES

EUR thousand unless stated otherwise	Jul-Dec 2020	Jul-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	69,965	61,225	128,924	98,946
Net sales growth, %	14.3%	57.8%	30.3%	36.6%
Gross profit	24,651	20,723	44,996	33,090
Gross margin, %	35.2%	33.8%	34.9%	33.4%
EBITDA	11,420	9,296	19,127	13,335
EBITDA margin, %	16.3%	15.2%	14.8%	13.5%
EBITA	11,221	9,100	18,711	12,976
EBITA margin, %	16.0%	14.9%	14.5%	13.1%
Operating profit	7,424	5,671	11,088	7,856
Operating profit margin, %	10.6%	9.3%	8.6%	7.9%
Profit (loss) for the period	6,007	658	6,937	384
Profit (loss) for the period margin, %	8.6%	1.1%	5.4%	0.4%
Comparable profit (loss)	6,007	2,580	6,937	3,620
Comparable profit (loss) margin, %	8.6%	4.2%	5.4%	3.7%
Comparable profit (loss) excluding amortisation of goodwill	9,805	6,010	14,561	8,740
Comparable profit (loss) excluding amortisation of goodwill margin, %	14.0%	9.8%	11.3%	8.8%
Items affecting comparability included in profit (loss) for the period	0	1,924	0	3,236
Net working capital	43,995	45,391	43,995	45,391
Inventories	44,273	43,094	44,273	43,094
Free cash flow	11,804	9,909	19,029	9,952
Cash conversion	103.9%	107.1%	99.4%	74.9%
Net debt	28,345	34,550	28,345	34,550
Net debt to EBITDA, annualized	1.5	2.6	1.5	2.6
Net gearing	39.2%	54.3%	39.2%	54.3%
Equity ratio	46.7%	44.5%	46.7%	44.5%
Return on investment (ROI)	n/a	n/a	10.1%*)	6.2%*)
Return on equity (ROE)	n/a	n/a	10.3%*)	1.4.%*)
Return on assets (ROA)	n/a	n/a	9.0%*)	5.4.%*)
Earnings per share, basic (EUR)	0.36	0.05	0.42	0.03
Earnings per share, diluted (EUR)	0.34	0.04	0.40	0.03
Comparable earnings per share, basic (EUR)	0.36	0.18	0.42	0.31
Comparable earnings per share, diluted (EUR)	0.34	0.17	0.40	0.29
Comparable earnings per share excluding amortisation of goodwill, basic (EUR)	0.58	0.41	0.87	0.76
Comparable earnings per share excluding amortisation of goodwill, diluted (EUR)	0.56	0.40	0.84	0.71
Average number of employees	292	260	290	214
Personnel at the end of the period, FTE	296	258	296	258

*) Items affecting comparability and amortisation of goodwill not eliminated from return on capital key figures

ACCOUNTING PRINCIPLES FOR KEY FIGURES

Key figure	Definition
EBITA ¹	Operating profit + amortisation of consolidated goodwill
EBITDA ¹	Operating profit + depreciation, amortisation and impairments
Gross profit	Net sales - materials and services
Gross margin	Gross profit / net sales *100
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 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
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
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

In thousand euros unless stated otherwise	Jul-Dec 2020	Jul-Dec 2019	Jan-Dec 2020	Jan-Dec 2019
Net sales	69,965	61,225	128,924	98,946
Materials and services	-45,314	-40,502	-83,983	-65,856
Gross profit	24,651	20,723	44,996	33,090
Gross margin, %	35.2%	33.8%	34.9%	33.4%
Operating profit	7,424	5,671	11,088	7,856
Depreciation, amortisation and impairments	3,996	3,625	8,039	5,480
EBITDA	11,420	9,296	19,127	13,335
EBITDA margin, %	16.0%	15.2%	14.8%	13.5%
Operating profit	6,007	5,671	11,088	7,856
Amortisation of goodwill	3,797	3,429	7,623	5,120
EBITA	11,221	9,100	18,711	12,976
EBITA margin, %	16.0%	14.9%	14.5%	13.1%
Profit (loss) for the period	6,007	657	6,937	383
Items affecting comparability included in profit (loss) for the period				
Listing expenses	0	2,336	0	2,729
Other non-recurring finance expenses	0	70	0	1,325
Tax impact of items affecting comparability	0	-482	0	-818
Items affecting comparability included in profit (loss) for the period	0	1,924	0	3,236
Comparable profit (loss)	6,007	2,580	6,937	3,620
Comparable profit (loss) margin, %	8.6%	4.2%	5.4%	3.7%
Amortisation of goodwill	3,797	3,429	7,623	5,120
Comparable profit (loss) excluding amortisation of goodwill	9,805	6,010	14,561	8,740

Comparable profit (loss) excluding amortisation of goodwill margin, %	14.0%	9.8%	11.3%	8.8%
Operating cash flow before working capital changes	11,447	9,249	19,150	13,288
Change in working capital	544	769	78	-2,945
Purchase of tangible and intangible assets	-187	-110	-199	-392
Free cash flow	11,804	9,909	19,029	9,952