

# RELAIS



Financial Statements Bulletin  
January–December 2021  
**A year of strong growth**

## **RELAIS GROUP PLC FINANCIAL STATEMENTS BULLETIN 1 JANUARY-31 DECEMBER 2021 (UNAUDITED) – A YEAR OF STRONG GROWTH, DIVIDEND PROPOSAL EUR 0.36 (0.30) PER SHARE**

### **OCTOBER–DECEMBER 2021 IN BRIEF**

- Net sales totaled EUR 73.5 million (October – December 2020: 37.2), +97.4% change
- EBITDA was EUR 9.3 (5.9) million, 12.6% (15.7%) of net sales, +58.1% change
- EBITA was EUR 8.8 (5.8) million, 11.9% (15.5%) of net sales, +51.9% change
- EBIT was EUR 5.3 (3.8) million, 7.2% (10.3%) of net sales, +39.0% change
- Comparable earnings per share excluding amortization of goodwill (undiluted) was EUR 0.37 (0.37) \*)
- Lighting season sales were strong in general and sales grew strongly in Sweden
- Early winter had a positive impact on sales in November–December
- The global shortage of components had only a minor effect on sales during the review period, but the related risks have not disappeared. Shortages are expected to continue in FY2022
- Logistics costs clearly increased due to the international situation
- Purchase prices of some products showed upward pressure due to the increase in raw material prices and the availability situation, which is expected to continue during FY2022
- Strands Group AB's sales were very strong throughout the financial year
- The acquisition of STS Sydhamnens Trailer Service AB was completed in November
- The acquisition of Trucknik Reservdelar AB was completed in December

### **JANUARY–DECEMBER 2021 IN BRIEF**

- Net sales totaled EUR 237.9 million (January – December 2020: 128.9), +84.5% change
- EBITDA was EUR 31.0 (19.1) million, 13.0% (14.8%) of net sales, +62.0% change
- EBITA was EUR 29.3 (18.7) million, 12.3% (14.5%) of net sales, +56.4% change
- EBIT was EUR 16.4 (11.1) million, 6.9% (8.6%) of net sales, +48.0% change
- Comparable earnings per share excluding amortization of goodwill (undiluted) was EUR 1.17 (0.87) \*)
- The company continued the implementation of its growth strategy by acquiring the entire share capital of Swedish Strands Group AB and Finnish Raskone Oy and Lumise Oy in Q1 and STS Sydhamnens Trailer Service AB and Trucknik Reservdelar AB in Q4
- The Annual General Meeting on 30 March 2021 decided to pay dividends of EUR 0.30 (0.10) per share for the financial year 2020
- Strategy recalibration and a new long-term net sales target in May 2021: the revised aim is to reach proforma net sales of EUR 500 million by the end of 2026
- Starting the investigation of the transition to the main market (Nasdaq Helsinki) for the transition to take place at the earliest during 2022
- Acquisitions made during the fiscal year clearly contributed to the growth in total net sales and EBITA and earnings per share
- The winter conditions had a clear positive effect on sales, especially in electrical spare parts during the first and fourth quarters
- Demand for lighting products was strong. The growth was supported especially by the development of Strands Group AB acquired in January 2021
- Inventory levels were increased very strongly to secure delivery capacity, which weakened cash flow from operations. However, cash conversion recovered substantially during Q4 landing close to its normal level

- The direct impact of the COVID-19 pandemic on business during the review period was minor, but the indirect effects of global logistics and supply chains continued
- Transition to IFRS reporting as of 1 January 2020. On 24 February, the transition was postponed to take place by the end of 2022 at the latest
- The Board of Directors proposes to the Annual General Meeting to be held on 13 April 2022, that a dividend of EUR 0.36 (0.30) per share be distributed. A separate notice of the Annual General meeting will be given on a later date

\*) The average undiluted number of shares Jan-Dec 2021 was 17,658,106 and Jan-Dec 2020 16,668,884. The average diluted number of shares Jan-Dec 2021 was 18,471,214 and Jan-Dec 2020 17,407,083.

## COMPARABILITY OF FINANCIAL INFORMATION

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

Relais Group Plc acquired the shares of Strands Group AB on 11 January 2021, Raskone Oy on 29 January 2021, Lumise Oy on 31 March 2021 STS Sydhammens Trailer Service AB on 14 October 2021 and Trucknik Reservdelar AB on 16 December 2021. The 2020 reference data in this Financial Statements Bulletin does not include the figures for the companies acquired in 2021.

## 2022 OUTLOOK AND LONG-TERM FINANCIAL TARGETS

Also in the financial year 2021, Relais was able to demonstrate the effectiveness and resilience of its business model even under the challenging circumstances, being able to grow strongly while maintaining its profitability. The profitability was supported by acquisitions which also form a platform for continued growth.

Based on the company’s view, the current market situation enables favorable business development also in 2022. The company has through early purchases and with pre-orders placed during Q4/2021 strived to secure a part of the deliveries needed in 2022. Although the market situation at the time of publishing this release is generally stable, the visibility of the business is weakened by the continuing COVID-19 pandemic and the global shortage of components and semiconductors, as well as challenges in international logistics and the deteriorated international security situation. Therefore, the company does not provide a numeric guidance for financial year 2022.

According to the new long-term target published on 17 May 2021, the company aims to reach pro forma net sales of 500 MEUR by the end of year 2026.

The new net sales target is based on the recalibrated strategy for the years 2021–2026. The new recalibrated strategy continues to rely on a combination of strong growth through acquisitions and a faster than market average organic growth. Relais aims to accelerate and reinforce its acquisition activities. In this context, the Company has chosen to expand its potential acquisition target area to include the entire mobility-related aftermarket, with the main focus remaining on the Nordic vehicle aftermarket.

The earlier long-term financial targets published in 2019 included an ambition to double the company's net sales by 2025.

## KEY FIGURES

EUR thousand unless stated otherwise	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Net sales	73,519	37,234	237,927	128,924
Gross profit	31,804	13,449	100,822	44,996
EBITDA	9,261	5,856	30,981	19,127
EBITDA margin, %	12.6%	15.7%	13.0%	14.8%
EBITA	8,752	5,762	29,271	18,711
EBITA margin, %	11.9%	15.5%	12.3%	14.5%
Operating profit	5,315	3,825	16,413	11,088
Operating profit margin, %	7.2%	10.3%	6.9%	8.6%
Profit (loss) for the period	3,068	4,292	7,708	6,937
Profit (loss) for the period margin, %	4.2%	11.5%	3.2%	5.4%
Comparable profit (loss) excluding amortisation of goodwill	6,624	6,230	20,684	14,561
Comparable profit (loss) excluding amortisation of goodwill margin, %	9.0%	16.7%	8.7%	11.3%
Return on equity (ROE)	n/a	n/a	9.7%	10.3%*)
Equity ratio	37.9%	46.7%	37.9%	46.7%
Net gearing	95.3%	39.2%	95.3%	39.2%
Earnings per share, basic (EUR)	0.17	0.26	0.44	0.42
Earnings per share, diluted (EUR)	0.16	0.24	0.42	0.40
Comparable earnings per share, basic (EUR)	0.17	0.26	0.44	0.42
Comparable earnings per share, diluted (EUR)	0.17	0.24	0.42	0.40
Comparable earnings per share excluding amortisation of goodwill, basic (EUR)	0.37	0.37	1.17	0.87
Comparable earnings per share excluding amortisation of goodwill, diluted (EUR)	0.35	0.36	1.12	0.84
Personnel at the end of the period, FTE	950	296	950	296

\*) Items affecting the comparability and amortization of goodwill are not eliminated

\*\*) The average undiluted number of shares Jan-Dec 2021 was 17,658,106 and Jan-Dec 2020 16,688,834. The average diluted number of shares Jan-Dec 2021 was 18,471,214 and Jan-Dec 2020 17,407,083.

## **CEO ARNI EKHOLM COMMENTS:**

**”Our strong and profitable growth continued during the year 2021. The net sales grew with 84.5% to EUR 237.9 million and EBITDA with 62.0% to EUR 31.0 million”**

### **The clear strategy accelerates growth**

”Relais Group is a leading Nordic consolidator with a sector focus on the vehicle aftermarket. Our strategy is very clear. We create long-term shareholder value by delivering strong earnings growth through the combination of acquisitions and faster than market average organic growth supported by synergies.

The mobility landscape is changing rapidly. We have a thorough knowledge of the vehicle and mobility aftermarket and the underlying mid- and long-term trends affecting the market. Our deep sector knowledge and network gives us an advantage in identifying acquisition targets with a good strategic fit to us, as well as in capturing the synergies created by the acquisitions we carry out.

During the year 2021 we have continued the systematic execution of our clear strategy and managed to achieve significant and profitable growth in our different operating units.

### **Organic growth**

The Nordic vehicle aftermarket developed positively also during the fourth quarter of the year. Despite the omicron-variant based re-acceleration of the Covid-19 Pandemic during the end of the year, the markets remained relatively stable in all our operating countries. According to our own estimates we were able to grow even faster than the market in average.

The organic growth was particularly strong for the Group’s own vehicle lighting brands. Several successful product launches, the increased market share in Sweden supported by cross-sales through local Group Companies, and the strong growth in export markets were the main contributors in this development. The export of Strands-branded products to e.g., Germany and Canada has grown strongly during the entire year. The demand for spare parts was solid all through the year.

### **Corporate acquisitions**

Acquisitions play a key role in our strategy. We continue to analyze the target markets and to make contacts with a larger number of potential acquisition targets with a good strategic fit in the Nordic countries. During the year our pipeline has already been complemented with several potential target companies.

We have carried out five successful acquisitions during the year 2021 (Strands Group AB, Raskone Oy, Lumise Oy, STS Sydhavnens Trailer Service AB and Trucknik AB). In line with our strategy, these acquisitions have further strengthened our own-branded lighting products business as well as expanding our footprint in the Nordic commercial vehicle repair, maintenance, and spare parts businesses. In addition, by Lumise becoming a member in the Relais-family, we have gained valuable competence in developing our digital and e-commerce business areas.

### **Covid-19**

Apart from the disruptions in the global logistics and supply chains, the Covid-19 pandemic has not had a significant effect as such in our operating markets. Especially the commercial vehicles sector has picked up as the overall economic activity has increased. However, the delays in the deliveries of new vehicles have to some extent had an effect on the demand of vehicle equipment products, and the still continuing lower than normal level of bus traffic has decreased the demand of related spare parts. On the other hand, the growth of e-commerce has increased the need for different type of last-mile home deliveries. Overall, this has led to growth in the usage of light commercial vehicles and increased the demand for related services and spare parts.

As the Pandemic still continues, the health and safety of our employees and business partners is of paramount importance to us. Even though some restrictions have already been lifted locally, we continued to carefully follow the different recommendations of the authorities in our operating countries. Fortunately, we have so far had no



serious Covid-19 incidents reported among our personnel, and we will continue striving to guarantee everyone's safety in the best possible manner also in the future.

## **Sustainability**

For us, sustainability means above all practical and meaningful everyday actions. We take good care of our employees, customers, and business partners and the environment. We have set clear ESG-related criteria to our global suppliers and several spare parts we sell are covered by a refund-and-recycling system, extending their life cycle after remanufacturing at the production site. We also take seriously the responsibility of our own business sector in reducing the global CO<sub>2</sub>-emissions. As the electrification of vehicles accelerates, we have purposefully increased our spare part offering for full electric and hybrid electric vehicles. This product range is growing steadily. In addition, we have increased the capability and preparedness of our Raskone and STS workshops to also serve and repair electrical commercial vehicles.

During the year 2022 we will map the carbon footprint caused by our different operations and we will set clear targets for reducing it. For example, already today our group company Startax Finland only uses electricity produced by fully renewable methods at its main facility of 16,000 m<sup>2</sup> in Lempäälä, Finland.

## **Outlook for the year 2022**

Relais Group is well positioned to continue the successful implementation of its strategy also during the year 2022. We have increased the inventory levels of critical product groups, so that our ability to serve our customers would stay on a high level even if the global supply disruptions should continue.

We will continue our M&A activities with the aim of finding companies having a good strategic fit to our Group and a sufficient value creation potential to our shareholders. As announced earlier this week, we are aiming to transfer to the Nasdaq Helsinki main list, with a timeline of doing this at the earliest during the second half of 2022. We believe the main list transition will have a positive effect in our ability to carry out more acquisitions and to support the financing needed for them.

Relais Group is not giving a numeric guidance for the year 2022. Owing to our strategy, a significant part of the growth and development of our business operations is based on the execution of corporate acquisitions. An accurate and up-front estimation of the timing and economical effect of acquisitions is virtually impossible to do. In addition to this, the still ongoing disruptions in the global logistics and supply chains, the weakened geopolitical situation, the increase of material, energy and delivery costs and the possible supply delays in different product groups caused by the global lack of semiconductors make it difficult to give accurate estimates.

As announced earlier, our long-term strategic target is to reach a turnover of 500 MEUR by the end of the year 2026.

Finally, I want to extend my warmest thanks to all of our almost 1,000 professionals, who do their very best every day to serve our customers even better. In addition, I want to thank all of our customers, business partners and shareholders for the trust you are placing in us. We strive to be worth that trust also during the coming years.”

## **STRATEGY**

Relais' strategy was published in 2019 in connection with the First North listing and was updated in May 2021 with additions to the long-term revenue target and to accelerate, strengthen and to broaden the scope of future acquisitions.

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 aims to accelerate and reinforce its acquisition activities. In this context, the Company has chosen to expand its potential acquisition target area to include the entire mobility -related aftermarket, with the main focus remaining on the Nordic vehicle aftermarket.

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.

## **BUSINESS REVIEW 1 JANUARY–31 DECEMBER 2021**

Relais Group net sales in January–December was 237.9 (128.9) MEUR and it grew by 84.5% compared to the same period last year. The increase in net sales was due to both the successful acquisitions made in the first half of the year and the good market situation. The ability of the Group companies to increase their sales faster than the average market growth by cross sales, especially in the vehicle lighting segment was an important contributor in this development. The market situation during the review period can generally be described as normal, but the effects of the Covid-19 pandemic were reflected in a significant increase in the delivery times of purchase orders and challenges related to delivery logistics and its costs. In order to secure deliveries, the Group companies had to significantly increase their inventory levels, especially for lighting products and certain spare parts, compared to the normal situation, as supply chain challenges are expected to continue in 2022 and cannot be accurately predicted.

The impact of the acquisitions made during the first half of 2021 was significant in terms of both growth and strategy for Relais Group. The Swedish Strands Group is one of the fastest growing vehicle lighting brands in Europe and it clearly strengthened the sales growth of the Group's own brands, especially in the export markets. Rapid progress has also been made in achieving the synergy benefits of spare parts procurement for Raskone. We see concrete and clear growth opportunities for Raskone as part of the Relais Group. The web-shop sales of Lumise also grew strongly, especially in the Swedish marketplace. The acquisition of STS Sydhamnens Trailer Service AB is an important strategic step in the expansion of Relais' commercial vehicle maintenance and repair business in the Nordic region. The acquisition of Trucknik Reservdelar AB in December strengthens the Group's position in the commercial vehicle spare parts market in northern Sweden.

## **FINANCIAL REVIEW 1 JANUARY–31 DECEMBER 2021**

### **Financial result**

The Group's EBITDA for January–December was EUR 31.0 (19.1) million or 13.0% (14.8%) of net sales, growing by 62.0% in year-on-year comparison. The growth in EBITDA was affected by acquisitions made in the first half of the review period and the positive development of sales in Group companies. Fixed costs grew due to the acquisitions, but the cost development in other respects was moderate. During the comparison period, adjustment measures were made on fixed costs related to the pandemic.

Earnings before amortization of goodwill (EBITA) grew in the financial period by 58.5% in relation to the reference financial period, totaling EUR 29.3 (18.7) million, 12.3% (14.5%) of net sales. The EBITA growth was also driven by acquisitions made during the review period and the positive sales-driven earnings development of the Group companies, also combined with a moderate development of operating expenses.

Operating profit (EBIT) for the review period grew by 56.5% from the previous year, totaling EUR 16.4 (11.1) million, 6.9% (8.6%) of net sales.

The profit for the period was EUR 7.7 (6.9) million, 3.2% (5.4%) of net sales, growing by 11.1%. In addition to business development, the increase in profit for the review period was due to acquisitions as well as financial expenses on acquisition loans. Acquisition loans, about half of which are denominated in SEK, also involve unrealized exchange rate differences that may vary between reporting periods.

## Balance sheet, financing, and investments

The Group's balance-sheet total at the end of the review period on 31 December 2021 amounted to EUR 234.9 (154.6) million. The Group's equity was EUR 88.7 (71.9) million and its net debt at the end of the period was EUR 85.0 (28.3) million. Net gearing was 95.3% (39.2%), and the equity ratio was 37.9% (46.7%). Cash assets at the end of the review period were EUR 11.8 (34.7) million. The changes in the consolidated balance sheet key figures are mainly a result of acquisitions made during the review period. The decrease in cash assets was primarily due to cash considerations of acquisitions and the company's aforementioned decision to increase inventories in order to ensure delivery capacity.

The Group has a financing agreement with its main bank valid until the end of May 2023. The maximum financial exposure under the financing agreement is EUR 111 million, consisting of a maximum of EUR 104 million in acquisition financing and an RCF limit of EUR 7 million. At the end of the review period, the undrawn portion of the RCF limit was EUR 4.8 million. The acquisition financing limit in accordance with the current agreement has been fully utilized and new additional facilities will be implemented in connection with potential future acquisitions.

Cash flow from operations was EUR 11.6 (16.1) million. Business growth had a favorable effect on cash flow. Cash flow was significantly impacted by the decision to increase working capital in inventory as well as advanced and increased product purchases.

Cash flow used in investing activities was EUR -61.9 (-8.8) million, arose almost entirely from the cash considerations related to acquisitions of Strands Group AB, Raskone Oy, Lumise Oy and STS Sydhammens Trailer Service AB. Other minor investments were related to ICT-systems, repair shop equipment and warehouse and office equipment.

Cash flow from financing activities was EUR 27.6 (-2.9) million. The amount of new acquisition loans drawn down from the existing facility during the review period was approximately EUR 40.7 million. Repayments and interest payments were made on the loans in accordance with the repayment schedule. Some minor credits at acquired companies were repaid. A total of EUR 5.2 million in dividends was paid out.

## CHANGES IN THE GROUP STRUCTURE

On 11 January 2021, Relais completed the acquisition of the entire share capital of the Swedish Strands Group AB ("Strands"), as 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 acquisition opens up additional geographic markets for the company in Europe and elsewhere. The acquisition also further strengthens the position of vehicle lighting aftermarket as a strategic growth area for Relais.

Established in 2002, Strands' business operations have been based on its own strong lighting products and brands. Strands Group AB's 2020 net sales was approximately SEK 157 million and the EBITDA approximately SEK 27.2 million. Export accounts for approximately 55% of net sales. The company employs approximately 30 people.

On 29 January 2021, Relais acquired Raskone Oy a 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 18 workshops throughout Finland. The acquisition is part of Relais' growth strategy and gives Relais a significant new pillar for growth in the commercial vehicle segment.

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.

On 31 March 2021, Relais acquired the shares of Lumise Ltd, an e-commerce operator providing vehicle lighting solutions, as well as the shares of the procurement company Optisell Oy (jointly "Lumise"). Specialized in the online sales of vehicle lighting, Lumise Oy is the leader in its' field in the Nordics, and a fast-growing player in



Europe. Lumise has a Swedish subsidiary called Design by Scandinavian Metal AB, which, in addition to engaging in e-commerce, develops model-specific auxiliary lighting.

With the acquisition, Relais can accelerate its growth by utilizing digitalization, e-commerce solutions and data analytics. Lumise's e-commerce platform is a new scalable growth area for Relais which also can be a strong growth accelerator for Relais's lighting business and creates new international growth opportunities, also outside the Nordic countries.

The net sales of Lumise companies during the twelve-month period ending in February 2021 were approximately EUR 11.0 million and EBITDA approximately EUR 1.1 million. The company employs a total of approximately 29 people.

On 14 October Relais acquired the shares of Swedish STS Sydhamnens Trailer Service AB, "STS".

STS is the largest independent nationwide repair and maintenance workshop chain for heavy and light commercial vehicles in Sweden. With a nationwide coverage from Malmö in the south to Luleå in the north STS supports its customers with 15 full-service workshops. The acquisition is an important strategic step in the expansion of Relais' commercial vehicle maintenance and repair business in the Nordic region.

At the time of the acquisition, the net sales of STS were estimated to be approximately EUR 23 million in 2021 and EBITDA to be approximately EUR 1.1 million. The company employs about 140 people.

On 16 December 2021 Relais' subsidiary TD Tunga Delar Sverige AB acquired Swedish Trucknik Reservdelar AB. Trucknik is a wholesaler of spare parts and accessories specialized in heavy commercial vehicles. The company was established in 2013 and has its sales office and warehouse in Skellefteå, Sweden. Trucknik has 10 employees and a turnover of approximately EUR 2.5 million with good profitability.

## **PERSONNEL AND MANAGEMENT**

The Group employed an average of 918 (290) employees between January and December. On 31 December 2021, at the end of the review period, the personnel amounted to 950 (296), representing an increase of 654. The increase in personnel was due to acquisitions, especially from the acquisition of Raskone and STS.

Salaries and fees paid from January to June totaled EUR 35.5 (12.9) million. The increase was driven by the acquisitions.

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

The Group 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. Mr. Lennart Sjöblom, Head of M&A and business development, has been a member of the Management Team as of 1 August 2021.

## **ANNUAL GENERAL MEETING ON 30 MARCH 2021 AND THE BOARD AUTHORIZATIONS IN EFFECT**

The AGM confirmed the company's financial statements for the financial year January 1–December 31, 2020 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 pay the auditors' fees as invoiced and approved by the company.

The Annual General meeting approved the proposal of the Board of Directors that a dividend of EUR 0.30 per share be paid from the parent company's distributable funds to shareholders who are registered in the Company's shareholders' register maintained by Euroclear Finland Oy on the dividend record date, 1 April 2021. The dividend was paid on 12 April 2021.

The AGM authorized the Board of Directors to resolve on the acquisition of a maximum of 1,720,890 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 2022, yet no further than until 30 June 2022. 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 3,441,780 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 2022, yet no further than until 30 June 2022. This authorization shall supersede previous authorizations resolved in General Meetings concerning the issue of shares and special rights entitling you to shares.

## **CURRENT OPTION SCHEMES**

The company has option-based incentive plans intended for the company's management personnel. On 31 December 2021, the members of the Board of Directors and the Management Team of Relais owned a total of 816,800 option rights, corresponding to approximately 4.4% of Relais shares and votes. Moreover, on 31 December, the inheritors of a late board member owned a total of 18,800 option rights, entitling them to the issue of a corresponding number of shares.

In total, the issued option rights entitled the option holders to the issue of a total of 835,600 shares. The current options are divided into several option series with varying subscription prices and subscription periods (2017E, 2017F, 2019D, 2019E and 2019G).

During the review period, a total of 234,550 new Relais shares were subscribed based on these option rights.

## LONG-TERM INCENTIVE PLAN

The Board of Directors of Relais Group Plc decided on the establishment of a new share-based long-term incentive plan for the company's management on 25 February 2021. The objectives of the plan are to align the interests of Relais Group's management with those of the company's shareholders and, thus, to promote shareholder value creation in the long term as well as to reward and retain the company's management.

Eligible to participate in the plan are at the maximum 15 individuals, including the members of the Management Team of Relais Group.

The rewards payable under the plan will be paid in cash based on the value of a specific number of incentive units included in the plan. The maximum aggregate number of incentive units to be settled in cash based on the Plan is 258,000 units. The incentive units are allocated to the participants free of charge. The value of each incentive unit is linked to Relais Group's share price development during the plan period. The earned reward represents a gross earning, from which the applicable payroll tax is withheld.

The incentive units allocated to the participants are divided into three separate tranches. The potential rewards payable under these tranches will be paid during the first half of the years 2023, 2024 and 2025 respectively. The threshold price of each incentive unit in each of the three tranches is the trade volume weighted average price of Relais Group's share on the First North Growth Market Finland marketplace of Nasdaq Helsinki Ltd during the last twenty-five trading days preceding March 16, 2021. The end price of each incentive unit is the trade volume weighted average price of Relais Group's share on the First North Growth Market Finland marketplace of Nasdaq Helsinki Ltd during the twenty-five trading days following the publication date of Relais Group's annual results for the year immediately preceding the year of payment, i.e., for the years 2022, 2023 and 2024 respectively. The threshold price of the incentive unit is deducted with the dividends paid between the start and end price determination periods.

The amount of the reward payable based on the Plan is limited by a maximum cap linked to the company's share price development.

## 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 of the shares provide equal entitlements to the dividend and other fund distribution (including fund distribution in dissolution situations).

On 11 January 2021, Relais decided on issuing a directed share issue. The company paid SEK 40.7 million of the purchase price of the shares of Strands group AB by issuing a total of 388,851 new Relais Group's shares to the shareholders of Strands Group AB in connection with the closing of the acquisition.

The share issue was carried out by the decision of the Board of Directors of Relais Group under the authorization given by the Annual General Meeting of Relais Group on 8 June 2020. The share issue was carried out in order to develop Relais Group's business and finance the corporate transaction, so there is a weighty financial reason for deviating from the pre-emptive right of the shareholders within the meaning of the Finnish Limited Liability Companies Act.

The subscription price for the consideration shares was EUR 10.2243 per share, which corresponds to the volume weighted average price of Relais Group Plc's share in the Nasdaq First North Growth Market Finland between 2 November 2020–11 December 2020. The new shares were entered into the trade register on 9 February 2021 and were listed on the Nasdaq First North Growth Market Finland on 10 February 2021 in the same series as the company's existing shares.

On 29 January 2021, Relais decided on issuing a directed share issue. The company paid EUR 0.9 million of the purchase price of the shares of Raskone Oy by issuing a total of 67,423 new Relais Group's shares to Mr. Jan Popov, a shareholder and the CEO of Raskone Oy in connection with the closing of the acquisition.

The share issue was carried out by the decision of the Board of Directors of Relais Group under the authorization given by the Annual General Meeting of Relais Group on 8 June 2020. The share issue was carried out in order to develop Relais Group's business and finance the corporate transaction, so there is a weighty financial reason for deviating from the pre-emptive right of the shareholders within the meaning of the Finnish Limited Liability Companies Act.

The subscription price for the consideration shares was 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. The new shares were entered into the trade register on 17 March 2021 and were listed on the Nasdaq First North Growth Market Finland on 18 March 2021 in the same series as the company's existing shares.

On 31 March 2021, Relais decided on issuing a directed share issue. The company paid EUR 7.2 million of the purchase price of the shares of Lumise Oy by issuing a total of 430,559 new Relais Group's shares to the shareholders of Lumise Oy in connection with the closing of the acquisition.

The share issue was carried out by the decision of the Board of Directors of Relais Group under the authorization given by the Annual General Meeting of Relais Group on 30 March 2020. The Share Issue was carried out in order to develop Relais Group's business and finance the corporate transaction, so there is a weighty financial reason for deviating from the pre-emptive right of the shareholders within the meaning of the Finnish Limited Liability Companies Act.

The subscription price for the consideration shares was EUR 16.8131 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. The new shares were entered into the trade register on 23 April 2021 and were listed on the Nasdaq First North Growth Market Finland on 24 April 2021 in the same series as the company's existing shares.

During the review period, a total of 234,550 new shares were subscribed by using Relais Group Plc's option rights.

On 31 December 2021, the company's registered share capital was EUR 80,000, and the number of shares recorded in the trade register 17,941,433.

According to the shareholder register maintained by Euroclear Finland, Relais had 2,857 shareholders at the end of the review period. Relais owned 50 of its own shares.

The company's ten largest registered shareholders and their holdings on 31 December 2021:

<b>Shareholder</b>	<b>Number of shares</b>	<b>%</b>
1. Ari Salmivuori	5,368,800	29.9
2. Nordic Industry Development AB <sup>1</sup>	3,932,100	21.9
3. Ajanta Oy <sup>2</sup>	464,800	2.6
4. Finnish Industry Investment Ltd (Tesi)	462,949	2.6
5. Evli Finland Select Fund	412 061	2.3
6. Rausanne Oy	408 867	2.3
7. Elo Mutual Pension Insurance Company	396 813	2.2
8. Kari Kauhanen	378 892	2.1
9. Evli Finland Pienyhtiöt Fund	359 200	2.0
10. Helander Holding Oy	324 632	1.8
11. Kari Stadigh	292 200	1.6
<b>Ten largest combined</b>	<b>12,801,314</b>	<b>71.4</b>
Other shareholders	5,140,119	28.6
<b>Total</b>	<b>17,941,433</b>	<b>100.0</b>

<sup>1</sup> In Nordic Industry Development AB, control is indirectly held by Jesper Otterbeck.

<sup>2</sup> In Ajanta Oy, control is held by Ari Salmivuori.

On 31 December 2021, the members of the Board of Directors and the Executive Team of Relais owned a total of 4,679,600 Relais shares, corresponding to approximately 26.1% 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.

	<b>Shares</b>
Arni Ekholm	66,450
Juan Garcia <sup>1</sup>	62,050
Olli-Pekka Kallasvuo <sup>2</sup>	64,300
Ville Mikkonen	174,800
Katri Nygård	67,700
Jesper Otterbeck <sup>3</sup>	3,932,100
Pekka Raatikainen	20,000
Kari Stadigh	292,200
<b>Total</b>	<b>4,679,600</b>

<sup>1</sup> Owned through JG Management AB, which is controlled by Juan Garcia.

<sup>2</sup> Owned directly and through Entrada Oy, which is controlled by Olli-Pekka Kallasvuo.

<sup>3</sup> Owned 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 and its potential impact on demand for Relais products and availability of products supplied via global supply- and logistics chains can be mentioned as specific examples of current macroeconomic risk. The deteriorating international security situation comprises also a macroeconomic risk.

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 4 October 2019 company prospectus.

## MAJOR EVENTS AFTER THE REVIEW PERIOD

On 24 February 2022, the company announced that it would postpone its transition to International Financial Reporting Standards (IFRS) reporting on announced on 20 December 2021, and that it would transition to IFRS



reporting by the end of 2022. The postponement does not affect the targeted transition date which is 1 January 2020.

On 3 March 2022, the company announced aiming to transfer its shares to Nasdaq Helsinki Main Market at the earliest during the second half of 2022.

## **ACCOUNTING PRINCIPLES OF THE FINANCIAL STATEMENTS BULLETIN**

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 2020. The financial information presented in the financial statement bulletin is unaudited.

## **FINANCIAL RELEASES IN 2022**

- Q1/2022 Interim Management Statement on Thursday 12 May 2022
- H1/2022 Half-Year report on Thursday 11 August 2022
- Q3/2022 Interim Management Statement on Thursday 10 November 2022

## **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 3 March 2022 from 10:00 a.m. EET. The webcast can be followed at: <https://relais.videosync.fi/interimreport-q4-2021>

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

Relais Group Plc

Board of Directors

### **Further information:**

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## **Relais Group**

Relais Group is the leading consolidator and acquisition platform on the vehicle aftermarket in the Nordic and Baltic countries. We are an industrial operator with a sector focus in 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 in 2021 was EUR 237.9 (2020: 128.9) million and we employed approximately 918 professionals in six different countries. During 2021, we completed six acquisitions. The combined net sales of the acquired companies total to almost EUR 95 million. Following the acquisitions, we employ approximately 950 professionals. 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 2021

### GROUP INCOME STATEMENT

EUR thousand	10- 12/2021	10- 12/2020	1- 12/2021	1- 12/2020
<b>NET SALES</b>	<b>73 519</b>	<b>37 234</b>	<b>237 927</b>	<b>128 924</b>
<b>Other operating income</b>	939	370	3 074	1 040
<b>Materials and services</b>				
Materials, supplies and goods				
Purchases during the period	-45 919	-23 131	-140 506	-81 271
Increase/decrease in inventories	8 399	-649	10 335	-2 639
External services	-4 194	-6	-6 934	-19
	<b>-41 714</b>	<b>-23 785</b>	<b>-137 105</b>	<b>-83 928</b>
<b>Personnel expenses</b>				
Wages and salaries	-11 089	-3 914	-35 489	-12 876
Social security expenses				
Pension expenses	-1 665	-416	-5 119	-1 538
Other social security expenses	-1 638	-763	-4 777	-2 231
	<b>-14 393</b>	<b>-5 093</b>	<b>-45 386</b>	<b>-16 645</b>
<b>Depreciation, amortisation and impairments</b>	-3 946	-2 031	-14 568	-8 039
<b>Other operating expenses</b>	-9 090	-2 870	-27 529	-10 264
<b>OPERATING PROFIT (LOSS)</b>	<b>5 315</b>	<b>3 825</b>	<b>16 413</b>	<b>11 088</b>
<b>Financial income and expenses</b>				
Other interest and financial income	502	2 107	1 222	2 235
Interest expenses and other financial expenses	-1 432	-659	-4 525	-2 912
	<b>-930</b>	<b>1 448</b>	<b>-3 303</b>	<b>-677</b>
<b>PROFIT BEFORE TAXES</b>	<b>4 385</b>	<b>5 273</b>	<b>13 110</b>	<b>10 411</b>
Income taxes	-1 294	-966	-5 312	-3 403
Minority interest	-23	-14	-90	-70
<b>PROFIT (LOSS) FOR THE PERIOD</b>	<b>3 068</b>	<b>4 292</b>	<b>7 708</b>	<b>6 937</b>

## CONSOLIDATED BALANCE SHEET

EUR thousand	31 Dec 2021	31 Dec 2020
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
Development costs	297	0
Immaterial rights	79	109
Goodwill	109 918	58 216
Other intangible assets	1 437	363
<b>Intangible assets total</b>	<b>111 732</b>	<b>58 688</b>
Buildings and structures	33	0
Machinery and equipment	3 485	602
Other tangible assets	616	62
Advance payments and work in progress	76	0
<b>Tangible assets total</b>	<b>4 209</b>	<b>664</b>
Other shares and holdings	79	81
<b>Investments total</b>	<b>79</b>	<b>81</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>116 020</b>	<b>59 433</b>
<b>CURRENT ASSETS</b>		
Work in progress	268	0
Finished products/goods	67 735	42 269
Advance payments	5 243	2 004
<b>Inventories total</b>	<b>73 247</b>	<b>44 273</b>
Deferred tax assets	0	284
Other receivables	5	0
<b>Total long-term receivables</b>	<b>5</b>	<b>284</b>
Trade receivables	26 923	13 123
Other receivables	665	359
Prepaid expenses and accrued income	6 199	2 491
<b>Total short-term receivables</b>	<b>33 787</b>	<b>15 972</b>
Cash at bank and in hand	11 803	34 669
<b>TOTAL CURRENT ASSETS</b>	<b>118 842</b>	<b>95 198</b>
<b>TOTAL ASSETS</b>	<b>234 862</b>	<b>154 630</b>

EUR thousand	31 Dec 2021	31 Dec 2020
<b>EQUITY</b>		
Share capital	80	80
Reserve for invested unrestricted equity	69 282	56 226
Retained earnings	11 644	8 702
Profit (loss) for the period	7 708	6 937
<b>TOTAL EQUITY</b>	<b>88 713</b>	<b>71 946</b>
<b>MINORITY INTEREST</b>		
Provisions	48	157
<b>NON-CURRENT LIABILITIES</b>		
Loans from financial institutions	90 720	58 014
Other loans and purchase consideration liability	1 561	129
Deferred tax liabilities	3 307	2 816
<b>Total non-current liabilities</b>	<b>95 588</b>	<b>60 959</b>
<b>CURRENT LIABILITIES</b>		
Loans from financial institutions	6 042	5 000
Advances received	34	0
Other loans and purchase consideration liability	1 561	0
Trade payables	15 402	8 606
Other liabilities	9 699	3 671
Accrued expenses and deferred income	17 371	3 972
<b>Total current liabilities</b>	<b>50 109</b>	<b>21 250</b>
<b>TOTAL LIABILITIES</b>	<b>145 697</b>	<b>82 209</b>
<b>EQUITY AND LIABILITIES TOTAL</b>	<b>234 862</b>	<b>154 630</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
<b>Profit (loss) for the period</b>	<b>3 068</b>	<b>4 292</b>	<b>7 708</b>	<b>6 937</b>
Adjustments				
Depreciation, amortisation and impairments	3 946	2 031	14 568	8 039
Financial income and expenses	960	-1 114	3 305	617
Income tax	1 314	965	5 312	3 403
Minority interest in net income	23	14	90	70
Other adjustments	-125	-305	-105	83
<b>Operating cash flow before working capital changes</b>	<b>9 185</b>	<b>5 884</b>	<b>30 877</b>	<b>19 150</b>
Changes in working capital				
Increase/decrease in inventories	-5 224	575	-14 985	2 013
Increase/decrease short-term receivables	4 275	1 721	-1 199	281
Increase/decrease in provisions	-175	84		84
Increase/decrease short-term liabilities	3 104	-1 394	3 698	-1 239
<b>Cash flows from operations before financial items and taxes</b>	<b>11 166</b>	<b>6 869</b>	<b>18 392</b>	<b>20 288</b>
Interest and other financial expenses paid	-1 031	-1 933	-2 784	-3 173
Foreign exchange gain/loss	260	1 470	0	1 470
Interest received	26	49	67	57
Income taxes paid	-1 077	-363	-4 052	-2 546
<b>Net cash from operating activities</b>	<b>9 344</b>	<b>6 092</b>	<b>11 623</b>	<b>16 096</b>
Acquisition of subsidiaries, net of cash acquired	-12 491	0	-59 607	-9 259
Purchase of tangible and intangible assets	-729	-63	-2 285	-199
Repayment of loan receivable	0	0	0	708
<b>Net cash used in investing activities</b>	<b>-13 220</b>	<b>-1 021</b>	<b>-61 892</b>	<b>-8 750</b>
Proceeds from shares subscribed by using option rights	0	0	915	0
Dividends paid	1	0	-5 189	-1 682
Proceeds from current borrowings	0	5 000	4 497	5 000
Repayment of current borrowings	-377	-3 387	-6 566	-3 387
Proceeds from non-current borrowings	0	60 427	40 735	60 427
Repayment of non-current borrowings	-3 723	-63 245	-6 743	-63 245
<b>Net cash used in financing activities</b>	<b>-4 100</b>	<b>-1 207</b>	<b>27 649</b>	<b>-2 889</b>
<b>Net change in cash and cash equivalents</b>	<b>-7 976</b>	<b>3 865</b>	<b>-22 621</b>	<b>4 457</b>
<b>Cash and cash equivalents, opening amount</b>	<b>19 863</b>	<b>29 986</b>	<b>34 669</b>	<b>29 600</b>
Effects of exchange rate fluctuations	-83	817	-245	611
<b>Cash and cash equivalents</b>	<b>11 803</b>	<b>34 669</b>	<b>11 803</b>	<b>34 669</b>



## CHANGES IN THE GROUP'S EQUITY

RETAINED EARNINGS TOTAL						
EUR thousand	Share capital	Reserve for invested unrestricted equity	Retained earnings excluding translation differences	Translation differences	Retained earnings total	Total
<b>Equity 1.1.2021</b>	<b>80</b>	<b>56 226</b>	<b>19 385</b>	<b>-3 745</b>	<b>15 640</b>	<b>71 946</b>
Change in translation differences				1 193	1 193	1 193
Share issue		12 141				12 141
Shares subscribed by using option rights		915				915
Dividend distribution			-5 189		-5 189	-5 189
Profit (loss) for the period			7 708		7 708	7 708
<b>Equity 31.12.2021</b>	<b>80</b>	<b>69 282</b>	<b>21 904</b>	<b>-2 552</b>	<b>19 351</b>	<b>88 713</b>
<b>Equity 1.1.2020</b>	<b>80</b>	<b>51 007</b>	<b>14 129</b>	<b>-1 531</b>	<b>12 598</b>	<b>63 685</b>
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
<b>Equity 31.12.2020</b>	<b>80</b>	<b>56 226</b>	<b>19 385</b>	<b>-3 745</b>	<b>15 640</b>	<b>71 946</b>

## ACCOUNTING PRINCIPLES

The Financial Statements Bulletin for the 1 January–31 December 2021 period has been prepared in accordance with the Finnish Accounting Standards (FAS) and it adheres to the accounting principles of the consolidated financial statements of 2020. The impact of COVID-19 pandemic has been taken into account in applying the accounting principles.

The financial information presented in the report 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. Furthermore, the demand for lighting products, such as LEDs and auxiliary lights, typically grows in the fall and winter months. Due to seasonal changes, Relais typically produces greater net sales in the second half of the year.

## EARNINGS PER SHARE

EUR	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Earnings per share, basic	0.17	0.26	0.44	0.42
Earnings per share, diluted	0.16	0.24	0.42	0.40

	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Number of outstanding shares at the end of the period	17 941 433	16 820 000	17 941 433	16 820 000
Weighted average number of shares, basic	17 941 433	16 820 000	17 658 106	16 688 834
Weighted average number of shares, diluted	18 691 240	17 545 763	18 471 214	17 398 661

## GROUP KEY FIGURES

EUR thousand unless stated otherwise	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
Net Sales	73,519	37,234	237,927	128,924
Net sales growth, %	97.4%	-	84.5%	30.3%
Gross profit	31,804	13,449	100,822	44,996
Gross margin, %	43.3%	36.1%	42.4%	34.9%
EBITDA	9,261	5,856	30,981	19,127
EBITDA margin, %	12.6%	15.7%	13.0%	14.8%
EBITA	8,752	5,762	29,271	18,711
EBITA margin, %	11.9%	15.5%	12.3%	14.5%
Operating profit	5,315	3,825	16,413	11,088
Operating profit margin, %	7.2%	10.3%	6.9%	8.6%
Profit (loss) for the period	3,068	4,292	7,708	6,937
Profit (loss) for the period margin, %	4.2%	11.5%	3.2%	5.4%
Comparable profit (loss)	3,187	4,292	7,827	6,937
Comparable profit (loss) margin, %	4.3%	11.5%	3.3%	5.4%
Comparable profit (loss) excluding amortisation of goodwill	6,624	6,230	20,685	14,561
Comparable profit (loss) excluding amortisation of goodwill margin, %	9.0%	16.7%	8.7%	11.3%
Items affecting comparability included in profit (loss) for the period	119	0	119	0
Net working capital	63,000	46,473	63,000	43,995
Inventories	73,247	43,765	73,247	44,273
Free cash flow	10,437	6,807	16,107	20,090
Cash conversion	112.7%	116.2%	52.0%	105.0%
Net debt	84,959	28,345	84,959	28,345
Net debt to EBITDA, annualised	2.7	1.5	2.7	1.5
Net gearing	95.3%	39.2%	95.3%	39.2%
Equity ratio	37.9%	46.7%	37.9%	46.7%
Return on investment (ROI)	n/a	n/a	11.0%*	10.1%*
Return on equity (ROE)	n/a	n/a	9.7%*	10.3%*
Return on assets (ROA)	n/a	n/a	9.1%*	9.0%*
Earnings per share, basic (EUR)	0.17	0.26	0.44	0.42
Earnings per share, diluted (EUR)	0.16	0.24	0.42	0.40
Comparable earnings per share, basic (EUR)	0.17	0.26	0.44	0.42
Comparable earnings per share, diluted (EUR)	0.17	0.24	0.42	0.40
Comparable earnings per share excluding amortisation of goodwill, basic (EUR)	0.37	0.37	1.17	0.87
Comparable earnings per share excluding amortisation of goodwill, diluted (EUR)	0.35	0.36	1.12	0.84
Average number of employees	918	290	812	290
Personnel at the end of the period, FTE	950	296	950	296

\*) Items affecting the comparability and amortization of goodwill not eliminated from the ROI, ROE, and ROA-key figures

\*\*\*) The average undiluted and diluted number of shares regarding reporting periods are presented in the table section of the Management Interim Statement under "Earnings per share"

## ACCOUNTING PRINCIPLES FOR KEY FIGURES

Key figure	Definition
EBITA	Operating profit + amortization of goodwill
EBITDA	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 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 <sup>1</sup>	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period
Comparable profit (loss) for the period excluding amortization of goodwill <sup>1</sup>	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period + amortization 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 amortization of goodwill, basic	Comparable profit (loss) excluding amortization of goodwill/weighted average number of shares outstanding during the period
Comparable earnings per share excluding amortization 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 (interim period figures annualized)
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, (interim period figures annualized) / (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, (interim period figures annualized multiplying by two) / (Equity + minority interest, average)
Return on assets (ROA)	(Operating profit + other interest financial income - listing expenses, interim period figures annualized) / (Total assets, average)

<sup>1</sup> 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	10-12/ 2021	10-12/ 2020	1-12/ 2021	1-12/ 2020
<b>Net sales</b>	<b>73 519</b>	<b>37 234</b>	<b>237 927</b>	<b>128 924</b>
Materials and services	-41 715	-23 785	-137 105	-83 928
<b>Gross profit</b>	<b>31 804</b>	<b>13 449</b>	<b>100 822</b>	<b>44 996</b>
Gross margin, %	43.3%	36.1%	42.4%	34.9%
<b>Operating profit</b>	<b>5 315</b>	<b>3 825</b>	<b>16 413</b>	<b>11 088</b>
Depreciation, amortization and impairments	3 687	2 031	14 568	8 039
<b>EBITDA</b>	<b>9 002</b>	<b>5 856</b>	<b>30 981</b>	<b>19 127</b>
EBITDA margin, %	12.2%	15.7%	13.0%	14.8%
<b>Operating profit</b>	<b>5 315</b>	<b>3 825</b>	<b>16 413</b>	<b>11 088</b>
Amortization of goodwill	3 437	1 937	12 858	7 623
<b>EBITA</b>	<b>8 752</b>	<b>5 762</b>	<b>29 271</b>	<b>18 711</b>
EBITA margin, %	11.9%	15.5%	12.3%	14.5%
<b>Profit (loss) for the period</b>	<b>2 375</b>	<b>4 292</b>	<b>7 708</b>	<b>6 937</b>
<b>Items affecting comparability included in profit (loss) for the period</b>				
Listing expenses	119	0	119	0
Other non-recurring finance expenses	0	0	0	0
Tax impact of items affecting comparability	0	0	0	0
<b>Items affecting comparability included in profit (loss) for the period</b>	<b>119</b>	<b>0</b>	<b>119</b>	<b>0</b>
<b>Comparable profit (loss)</b>	<b>2 494</b>	<b>4 292</b>	<b>7 827</b>	<b>6 937</b>
Comparable profit (loss) margin, %	3.4%	11.5%	3.3%	5.4%
Amortization of goodwill	3 437	1 937	12 858	7 623
<b>Comparable profit (loss) excluding amortization of goodwill</b>	<b>5 931</b>	<b>6 229</b>	<b>20 685</b>	<b>14 560</b>
Comparable profit (loss) excluding amortization of goodwill margin, %	8.1%	16.7%	8.7%	11.3%
Operating cash flow before working capital changes	9 185	5 884	30 877	19 150
Change in working capital	1 981	986	-12 486	1 139
Purchase of tangible and intangible assets	-729	-63	-2 285	-199
<b>Free cash flow</b>	<b>10 437</b>	<b>6 807</b>	<b>16 107</b>	<b>20 090</b>