RELAIS

Half-year financial report January–June

Company release 11 August 2022, 9 a.m. EEST

RELAIS GROUP PLC HALF-YEAR FINANCIAL REPORT JANUARY–JUNE 2022 (unaudited)

APRIL–JUNE 2022 IN BRIEF

- Net sales totaled EUR 58.6 million (April – June 2021: 52.2), +12.2% change
- EBITDA was EUR 4.2 (5.4) million, 7.2% (10.3%) of net sales, -21.3% change
- EBITA was EUR 3.7 (4.8) million, 6.4% (9.2%) of net sales, -22.6% change
- EBIT was EUR -0.0 (1,5) million, -0.1% (2.9%) of net sales, -102.4% change
- Comparable earnings per share excluding amortization of goodwill (undiluted) was EUR 0.07 (0.21) *)
- Net sales growth was driven by acquisitions
- The increased proportion of repair shop sales contributed to an improved gross margin, while simultaneously increasing expenses below gross margin
- The decrease in EBITA was due to the slow development of sales combined with increased expenses, which also reflect the changing business mix
- The strong rise in fuel and energy prices has caused general caution in the customer base and to some extent delayed the demand for services and products in the industry
- For the reasons mentioned above, the market situation as a whole was weaker than the previous year, but it improved especially in May-June
- The poor availability of mechanics comprised a growth challenge for the repair shop business
- The change in the salary system of the mechanics at Raskone had a temporary negative EBITA impact of EUR 0.2 million
- The supply chain was still somewhat affected by the Covid-19 pandemic, which is estimated to continue due to China's extensive lockdown measures
- Inventory was maintained at a level higher than normal to ensure delivery capacity
- Measures to reduce working capital level going forward were accelerated

*) The average undiluted number of shares Apr-Jun 2022 was 17,997,644 and Apr-Jun 2021 17,681,930

JANUARY–JUNE 2022 IN BRIEF

- Net sales totaled EUR 120.6 million (January – June 2021: 105.8), +14.0% change
- EBITDA was EUR 10.8 (13.0) million, 9.0% (12.3%) of net sales, -16.8% change
- EBITA was EUR 9.8 (12.2) million, 8.2% (11.5%) of net sales, -19.4% change
- EBIT was EUR 2.5 (6.1) million, 2.1% (5.8%) of net sales, -58.8% change
- Comparable earnings per share excluding amortization of goodwill (undiluted) was EUR 0.30 (0.48) *)
- The development of the EUR/SEK exchange rate during the review period had a negative effect on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.5 million higher than reported
- Net sales growth was driven by acquisitions
- The winter conditions did not generate the same positive effect on net sales as during the exceptionally strong comparison period of H1/2021
- The profitability of commercial vehicle repair and maintenance business suffered from effects of the pandemic in Q1/2022
- The market situation was weak until the end of April, but has improved since then, especially in Sweden, approaching the situation at the end of H1 of the previous year
- Organic growth of the repair shop business was negatively affected by the closing of two of Raskone's repair shops in 2021 as part of continuing development of the business. Like-for-like

repair shop development as compared to last year was slightly negative, due to capacity constraints caused by sick leaves and availability of mechanics

- The Company continued the implementation of its growth strategy by acquiring the shares of the Swedish Skeppsbrons Jönköping AB in May
- The company acquired the remaining shares of TD Tunga Delar Sverige AB and SEC Scandinavia A/S from the minority shareholders in May
- The direct impact of the Covid-19 pandemic on the business was smaller in the second quarter as compared to the first quarter, with the exception of the working capital situation. Sick leave situation has normalized
- Due to the exceptionally long delivery times in the Far East purchases, the working capital tied up in inventories was at a higher level than the previous year
- The AGM of 13 April 2022 decided on a dividend of 0.36 (0.30) EUR per share be paid for FY2021

*) The average undiluted number of shares Jan-Jun 2022 was 17,969,669 and Jan-Jun 2021 17,370,082.

2022 OUTLOOK AND LONG-TERM FINANCIAL TARGETS

Relais aims to grow at a faster pace than the market average. Despite the exceptionally poor market development in the beginning of this year, Relais feels well prepared to develop its business during the remainder of financial period of 2022. The overall market growth in the Nordic Countries is expected to be low this year and probably continue to be below last year's development.

In order to ensure the needed product supplies during 2022 some purchases by Relais Group companies have been pre-ordered from suppliers. Even though the overall market situation is reasonably stable at the time of the publication of this review and has improved compared to the first quarter, it is still weaker than last year and the level of uncertainty is high. The visibility is blurred by the continuing lack of components and semi-conductors, the increase in raw material prices, challenges in the global logistical chains, energy prices and the war in Ukraine. The continuing increases in energy prices, especially fuel prices, can create challenges for some of Relais Group's customers, especially in the maintenance and repair business as well as for those of Relais customers who in turn sell our goods as consumer discretionary items.

The Company does not provide a numeric guidance for financial year 2022.

According to the 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.

Relais Group has during the past financial years demonstrated the effectiveness and resilience of its business model even under challenging circumstances, being able to grow strongly and profitably. Future acquisitions are expected to support our growth platform.

KEY FIGURES

EUR thousand unless stated otherwise	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Net sales	58,631	52,237	120,550	105,759	237,927
Gross profit	26,680	21,792	54,703	43,125	100,822
EBITDA	4,225	5,371	10,830	13,019	30,981
EBITDA margin, %	7.2%	10.3%	9.0%	12.3%	13.0%
EBITA	3,729	4,817	9,833	12,206	29,271
EBITA margin, %	6.4%	9.2%	8.2%	11.5%	12.3%
Operating profit	-37	1,492	2,506	6,084	16,413
Operating profit margin, %	-0.1%	2.9%	2.1%	5.8%	6.9%
Profit (loss) for the period	-2,602	354	-2,226	2,265	7,708
Profit (loss) for the period margin, %	-4.4%	0.7%	-1.8%	2.1%	3.2%
Comparable profit (loss) excluding amortisation of goodwill	1,330	3,678	5,340	8,387	20,685
Comparable profit (loss) excluding amortisation of goodwill margin, %	2.3%	7.0%	4.4%	7.9%	8.7%
Return on equity (ROE) *)	-	-	-5.1%	5.9%	9.7%
Equity ratio	36.1%	37.8%	36.1%	37.8%	37.9%
Net gearing	119.1%	90.7%	119.1%	90.7%	95.3%
Earnings per share, basic (EUR) **)	-0.14	0.02	-0.12	0.13	0.44
Earnings per share, diluted (EUR) **)	-0.14	0.02	-0.12	0.12	0.42
Comparable earnings per share, basic (EUR) **)	-0.14	0.02	-0.12	0.13	0.44
Comparable earnings per share, diluted (EUR) **)	-0.14	0.02	-0.12	0.12	0.42
Comparable earnings per share excluding **) amortisation of goodwill, basic (EUR)	0.07	0.21	0.30	0.48	1.17
Comparable earnings per share excluding **) amortisation of goodwill, diluted (EUR)	0.07	0.20	0.29	0.46	1.12
Personnel at the end of the period, FTE	1,023	854	1,023	854	950

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

**) The average undiluted number of shares Jan-Jun 2022 was 17,969,669 and Jan-Jun 2021 17,370,082. The average diluted number of shares Jan-Jun 2022 was 18,725,984 and Jan-Jun 2021 18,261,525.

CEO ARNI EKHOLM COMMENTS:

“As we communicated in connection with the Q1 interim management statement in May 2022, the market conditions under Q1 were exceptionally challenging. The mild winter conditions, the war in Ukraine and the resulting steep rise of the energy and fuel prices, combined with the increased sick leaves caused by Covid-19 all affected the market demand negatively and simultaneously produced challenges in having personnel in place when demand actually was present. At the time of the Q1 publication, we saw some signs of a partial market normalization, but remained cautious in assessing the outlook due to the uncertain market situation.

Looking at H1 as a whole from a business mix perspective, there were several different coinciding factors affecting the Group’s total result. Firstly, in the commercial vehicle maintenance and repair business there were considerable capacity and demand constraints in Q1 due to Covid-19. In Q2 the customer demand recovered, but the lack of additional mechanics constrained our organic growth in that business. In addition, as part of the optimization of the Raskone workshop network two locations were discontinued late 2021. The negative net sales and EBITDA effect of the closed workshops during H1/2022 were 2.8 MEUR and 0.2 MEUR respectively. The related overhead cost optimization measures done at Raskone during H1 will only start to kick in during the latter part of H2.

Secondly, looking at the Group’s wholesale business, the soft Q1 customer and consumer demand as described earlier, resulted in a negative organic growth of that business during the quarter and we believe, for the entire market. The partial recovery of the demand during Q2 was not enough to lift the total organic growth of the wholesale business to positive level for the entire H1, thus being unable to cover for the shortfall in the commercial vehicle repair and maintenance business.

In the commercial vehicle repair and maintenance business area both Raskone and STS have seen good underlying demand for repair jobs during Q2. The biggest bottleneck for both companies has been the shortage of skilled labor. The Covid-19 related sick leaves affected the capacity utilization still during April, but in May-June the lack of mechanics was the biggest single contributor slowing down the growth. Several actions to remediate the situation have already been accelerated, e.g. cooperation with recruitment platforms and direct search agencies, expanding the recruitment base to the Baltic states, increased cooperation with local technical schools and investing in the HR organization but we expect this to take time to address. In addition, Raskone has implemented some changes in the salary system for the mechanics during Q2, moving some parts of the variable salary into the fixed salary of the mechanics. These changes had a temporary negative impact on EBITA of EUR 0.2 million in Q2 but are estimated to be cost neutral on an annual level and to contribute positively to employee retainment.

In the lighting and equipment business, the export driven success of Strands continued. By use of innovative social media marketing, active cooperation with the customers and launch of several interesting new product launches Strands has been able to expand its business especially in Germany and the Benelux markets. Over 65% of Strands sales go now to markets outside Sweden. Strands has currently over 90,000 followers in Instagram and over 1.1 million views on their YouTube channel so far this year, figures which clearly demonstrate the power of the brand.

During Q2 we continued our corporate acquisition activities in line with our strategy. Our latest acquisition is the Swedish company Skeppsbrons Jönköping AB, carried out in May. This acquisition will further strengthen our position as the biggest player within the independent commercial vehicle repair and maintenance sector in the Nordic countries. We are continuously doing research on various acquisition targets, and we are at any given time talking with several different parties about possible acquisitions. We act in a disciplined manner and strive to find targets having a combination of good strategic fit, competent and committed management, good and sustainable profitability level, a realistic valuation, and a strong future growth potential as a part of Relais Group. Our sector focus and in-depth knowledge of the vehicle aftermarket gives us a unique competitive advantage in doing corporate acquisitions. We believe that the current economic turbulence will trigger several interesting acquisition opportunities in the foreseeable future. We also expect to see a contraction of valuation multiples compared to what they have generally been during the past couple of years.

In the field of operational efficiency, we have initiated a pilot project in June at one of our biggest group companies, Startax Finland. The aim of the project is to improve the net working capital efficiency and define Group-wide best practices for further roll out in other group companies. Also, through the new group management team structure I have presented, there will be additional focus throughout the group on accelerating synergy benefits between the group-companies, especially in the areas of procurement, supplier management, cross sales and product range harmonization.

As a reaction to the recent profitability development the company is developing an action plan. In the development of the plan the company is looking into several profitability improvement measures, including but not limited to, e.g. sourcing, pricing and capacity utilization.

Summarizing H1, there were a range of variables that coincided and impacted our profit margins and the dynamics of the business mix. Some of these factors are outside of our control and contribute to the considerable uncertainties affecting the market demand during H2. The surging inflation caused mainly by the strong increase in energy and fuel prices, the ongoing war in Ukraine and the general customer and consumer cautiousness increase the difficulty of predicting the near future. On the other hand, the long delivery times of new commercial vehicles typically increase the demand of spare parts and repair and maintenance as the existing vehicles are used more extensively. In addition, we have ramped up our inventory of lighting products to guarantee our ability to deliver products to our customers during the important H2 season. In light of all this, I feel that we are well prepared to meet the future challenges by further development of operational efficiency and tangible action plans, utilizing intercompany synergies and by pursuing corporate acquisitions."

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–30 JUNE 2022

The Group Net Sales in January–June was 120.6 (105.8) MEUR and which represents a 14.0% growth compared to the same period of last year. The sales growth was mainly caused by the corporate acquisitions carried out during 2021. The mild winter conditions compared to the same review period last year reduced the sales of certain electrical spare parts and equipment, such as batteries, generators and starters in the first quarter. The Covid-19 Omicron-variant increased the sickness absenteeism to a large extent which had a negative effect especially on the capacity utilization of the Group's commercial vehicle repair and maintenance workshop chains. A similar effect was also observed among the customers which lead to a reduced demand of spare parts and equipment. The market situation continued to be weak until the end of April, but improved in May and June, approaching the previous year's level.

The effects of the Covid-19 pandemic during this review period were the most extensive since the early stages of the Pandemic. In addition to the demand driven factors described above, the financial effects of the Pandemic relate to the increase in committed working capital as the Group companies increased and advanced their purchases to ensure their product availability and service levels for this year. The global situation and the general increase in costs are causing an upwards pressure in the purchase prices for products and services. However, the group as a whole managed to maintain a strong gross margin level and, due to the business mix-effect of acquisitions, even improve it compared to the previous year.

The development of the EURSEK exchange rate during the review period had a negative effect on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.5 million higher than reported.

The market situation has not affected the implementation of the Group's strategy. The process of gaining synergy benefits from cross sales between Group companies and joint purchases continued as planned. The close commercial cooperation between the Group companies also reduces the effect of negative market developments in the Group's financial results.

FINANCIAL REVIEW 1 JANUARY–30 JUNE 2022

Financial result

The Group's EBITDA for the period was EUR 10.8 (13.0) million or 9.0% (12.3%) of net sales, decreasing by 16.8% in year-on-year comparison. The increasing proportion of commercial vehicle repair and maintenance business led to a shift in the cost structure. While gross margin was higher partially due to business mix, the total sales growth was insufficient to compensate for the increase in costs below gross margin, which led to a decrease in EBITDA. The increase in personnel and other operating expenses was mainly driven by acquisitions while cost development in other respects was moderate.

Earnings before interest, taxes, and amortisation (EBITA) decreased in review period by 19.4% in relation to the reference financial period, totaling EUR 9.8 (12.6) million, 8.2% (11.5%) of net sales.

Operating profit (EBIT) for the review period decreased by 58.8% from the previous year, totaling EUR 2.5 (6.1) million, 2.1% (5.8%) of net sales. Acquisitions made by the Group increased goodwill and their amortisation affecting operating profit, which combined with the general business development resulted in decrease in operating profit.

The profit (loss) for the period was EUR -2.2 (2.3) million, -1.8% (2.1%) of net sales, decreasing by 198.3%. In addition to business development, the decrease in profit for the review period was due to acquisitions as well as financial expenses related to acquisition loans. Acquisition loans, about half of which are denominated in SEK, 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 30 June 2022 amounted to EUR 234.9 (223.3) million. The Group's equity was EUR 84.9 (84.1) million and its net debt at the end of the period was EUR 101.2 (76.7) million. Net gearing was 119.1% (90.7%), and the equity ratio was 36.1% (37.8%). Cash assets at the end of the review period were EUR 6.8 (23.8) million. The changes in the consolidated balance sheet key figures arose mainly from acquisitions as well as from net working capital changes resulting from increased and advanced purchases.

The maturity of the Group's senior financing agreement was extended by one year until the end of May 2024. At the same time the financing limits included in the agreement were raised. The maximum financial exposure under the restated financing agreement is EUR 133.7 million, consisting of a maximum of EUR 101.7 million in acquisition financing, EUR 25 million in uncommitted senior facilities agreement and an RCF limit of EUR 7 million. At the end of the review period, the undrawn portion of the uncommitted senior facilities was EUR 15.5 million and of RCF limit EUR 4.8 million.

Cash flow from operations was EUR -1.0 (5.1) million. Cash flow was significantly burdened by working capital tied up for advanced and increased product purchases, in line with the comments made above.

Cash flow used in investing activities was EUR -10.8 (-48.3) million, including additional consideration for STS Sydhamnens Trailer Service AB shares, cash consideration for Skeppsbrons Jonköping AB shares and cash consideration for SEC Scandinavia A/S and TD Tunga Delar Sverige AB minority shares. Investments of EUR -0.7 MEUR in operative business-related capital expenditure were also included.

Cash flow from financing activities was EUR 6.9 (32.1) million. The amount of new acquisition loans drawn down from the existing facility during the review period was approximately EUR 16.5 million. Repayments and interest payments were made on the loans in accordance with the repayment program. A total of EUR 6.5 million in dividends was paid out.

CHANGES IN THE GROUP STRUCTURE

On 24 May 2022, Relais completed the acquisition of the shares of Skeppsbrons Jönköping AB announced on 5 May 2022.

Skeppsbrons is a highly profitable and professionally managed heavy commercial vehicle repair and maintenance workshop in Jönköping, Sweden. It was established in 1984 and employs 37 professionals. Skeppsbrons is a multibrand workshop for heavy commercial vehicles and is also a certified service partner for MAN, Iveco and DAF. Skeppsbrons is specialized in the repair and maintenance of trucks, buses, trailers, cooling systems and lifts. The company also has a special competence in customizing heavy military vehicles for the defense sector.

Skeppsbrons Net Sales for the year 2021 was approximately 75.7 MSEK and the adjusted EBITDA was approximately 14.6 MSEK.

On 5 May 2022 Relais acquired the remaining 30 percent of shares in SEC Scandinavia A/S and 4.75 percent of shares in TD Tunga Delar Sverige AB from the minority shareholders. The purchase price of the remaining shares paid in cash was DKK 3.0 million for the shares of SEC Scandinavia A/S and SEK 26.4 million for the additional consideration and shares of TD Tunga Delar Sverige AB.

The 70 percent majority stake in SEC Scandinavia A/S and 95.25 percent stake in TD Tunga Delar Sverige AB had been acquired by Relais in 2020.

PERSONNEL AND MANAGEMENT

The Group employed an average of 1,005 (737) employees between January and June. On 30 June 2022, at the end of the review period, the personnel amounted to 1,023 (854), representing an increase of 169. The increase in personnel was due to acquisitions.

Salaries and fees paid from January to June totaled EUR 21.8 (16.3) million. The increase was driven by the acquisitions.

From 13 April 2022, the Board of Directors of Relais Group Plc consists of Jesper Otterbeck (chairman), Anders Borg, Olli-Pekka Kallasvuo, Katri Nygård and Lars Wilsby.

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.

ANNUAL GENERAL MEETING ON 13 APRIL 2022 AND THE BOARD AUTHORIZATIONS IN EFFECT

The AGM confirmed the company's financial statements for the financial year 1 January – 31 December 2021 and discharged the members of the Board of Directors and the Managing Director from liability.

The AGM decided that five members be elected to the Board of Directors and re-elected Olli-Pekka Kallasvuo, Katri Nygård and Jesper Otterbeck as board members. Anders Borg and Lars Wilsby were elected as new Board members. In the Board Meeting held after the AGM, the Board of Directors elected Jesper Otterbeck 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 AGM approved the proposal of the Board of Directors that a dividend of EUR 0.36 per share shall 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, 19 April 2022. The dividend was paid on 26 April 2022.

The AGM authorized the Board of Directors to resolve on the acquisition or accepting as pledge of a maximum of 1,794,143 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 or 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 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 to be held in 2023, yet no further than until 30 June 2023. 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 2,988,286 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 Limited Liability 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 said share issue and the granting of special rights, including the subscribers or the grantees of said special rights and the payable consideration. The authorization also includes the right to issue shares by deviating from the shareholders' pre-emptive rights, i.e. in a directed manner. The authorization of the Board covers both the issue of new shares and the assignment of any shares that may be held in the company's treasury.

The authorization is effective until the closing of the Annual General Meeting to be held in 2023, yet no further than until 30 June 2023. This authorization shall supersede previous authorizations resolved in General Meetings concerning the issue of shares and special rights entitling to shares.

CURRENT OPTION SCHEMES

The company has option-based incentive plans intended for the company’s management personnel. On 30 June 2022, the members of the Board of Directors and the Management Team of Relais owned a total of 758,450 option rights, corresponding to approximately 4.0% of Relais shares and votes. Moreover, on 30 June 2022, 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 777,250 shares. The current options are divided into several option series with varying subscription prices and subscription periods (2017E, 2017F and 2019E).

During the review period, a total of 58,350 new Relais shares were subscribed based on the 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 25 April 2022, Relais decided on issuing a directed free share issue and issued a total of 64,407 new Relais Group shares to be subscribed for free of charge by Kari Kauhanen and other former shareholders of Lumise Oy.

The Directed Share Issue will be carried out in derogation of the pre-emptive subscription right of the shareholders on the authorization of the Company's Annual General Meeting held on 13 April 2022. The Additional Shares issued in the Directed Share Issue are issued on the basis of terms and conditions binding on the parties to the purchase agreement in order to meet the terms and conditions of the acquisition of Lumise Oy completed on 31 March 2021, and thus there is a particularly weighty financial reason for the Directed Share Issue for the company and for the interests of all its shareholders.

The new shares were entered into the trade register on 10 May 2022 and were listed on the Nasdaq First North Growth Market Finland on 11 May 2022 in the same series as the company's existing shares.

On 24 May 2022, Relais decided on issuing a directed share issue. The company paid SEK 14 million of the purchase price of the shares of Skeppsbrons Jönköping AB by issuing a total of 68,118 new Relais Group's shares to the Sellers.

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 13 April 2022. The share issue was carried out in order to develop Relais Group's business and finance the corporate transaction, so there was 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 19.79 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 signing of the transaction.

The new shares were entered into the trade register on 17 June 2022 and were listed on the Nasdaq First North Growth Market Finland on 20 June 2022 in the same series as the company's existing shares.

During the review period, a total of 58,350 new shares were subscribed by using Relais Group Plc's option rights.

On 30 June 2022, the company's registered share capital was EUR 80,000, and the number of shares recorded in the trade register 18,132,308.

According to the shareholder register maintained by Euroclear Finland, Relais had 2,737 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 30 June 2022:

Shareholder	Number of shares	%
1. Ari Salmivuori	5,368,800	29.6
2. Nordic Industry Development AB[1]	3,015,600	16.6
3. Helander Holding Oy	874,002	4.8
4. Rausanne Oy	503,117	2.8
5. Ajanta Oy[2]	464,800	2.6
6. Finnish Industry Investment Ltd (Tesi)	462,949	2.6
7. Evli Finland Small Cap Fund	458,816	2.5
8. Kauhanen Kari	435,571	2.4
9. Evli Finland Select Fund	399,850	2.2
10.Elo Mutual Insurance Company	396,813	2.2
11.Stadigh Kari	292,200	1.6
Ten largest combined	12,672,518	69.9
Other shareholders	5,459,790	30.1
Total	18,132,308	100.0

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

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

On 30 June 2022, the members of the Board of Directors and the Executive Team of Relais owned a total of 3,619,250 Relais shares, corresponding to approximately 20.0% 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	66,450
Anders Borg	60,000
Juan Garcia[1]	62,050
Olli-Pekka Kallasvuo[2]	84,300
Ville Mikkonen	174,800
Katri Nygård	106,050
Jesper Otterbeck[3]	3,015,600
Pekka Raatikainen	20,000
Lars Wilsby[4]	30,000
Total	3,619,250

[1] Owned through JG Management AB, which is controlled by Juan Garcia.
[2] Owned directly and through Entrada Oy, which is controlled by Olli-Pekka Kallasvuo.
[3] Owned through Nordic Industry Development AB, which is controlled indirectly by Jesper Otterbeck.
[4] Owned through Wilsby Invest AB, which is controlled by Lars Wilsby.

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 2 August the Company announced changes in its Group Management Team. As Lennart Sjöblom is changing to a position outside the company, B.Sc. (Finance) Sebastian Seppänen has been appointed as Director, M&A and business development.

On 8 August the Company announced a profit warning because the profitability of H1/2022 was significantly lower than in H1/2021.

FINANCIAL RELEASES IN 2022

- Q3 Interim Report, 1 January–30 September 2022
  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 11 August 2022 from 10:00 am EEST. The webcast can be followed at: https://relais.videosync.fi/2022-q2-results.

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 HALF-YEAR FINANCIAL REPORT

The figures in the Half-year financial report are unaudited and have been prepared in accordance with the Finnish Accounting Standards (FAS). The impact of COVID-19 pandemic has been taken into account in applying the accounting principles.

COMPARABILITY OF FINANCIAL INFORMATION

Relais Group acquired Raskone Oy on 29 January 2021, Lumise Oy on 31 March 2021, Sydhamnens Trailer Service AB on 18 November 2022 and Trucknik Reservdelar AB on 16 December 2021.
The 2021 reference data in this Interim Management Statement does not include the figures for the companies acquired from the period preceding the commencement of their consolidation in 2021.

Relais Group acquired the shares of Skeppsbrons Jönköping AB on 24 May 2022. The 2021 reference data in this Half-year Report does not include the figures for Skeppsbron's.

Relais Group Plc

Board of Directors

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Distribution:
Nasdaq Helsinki
Key media
www.relais.fi

Relais Group

Relais Group is a leading consolidator and acquisition platform on the vehicle aftermarket in the Nordic and Baltic countries. We have 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. During 2021, we completed a total of six acquisitions. We employ approximately 1,000 professionals in six different countries. The Relais Group 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–30 June, 2022

GROUP INCOME STATEMENT

EUR thousand	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
NET SALES	**58,631**	**52,237**	**120,550**	**105,759**	**237,927**
Change in inventories of finished goods and work in progress	149	0	303	0	-107
Other operating income	761	710	1,413	1,595	3,074
Materials and services					
Materials, supplies and goods					
Purchases during the period	-31,458	-29,278	-66,710	-59,888	-140,506
Increase/decrease in inventories	1,357	-136	4,734	-974	10,443
External services	-1,999	-1,031	-4,173	-1,772	-6,934
	-32,099	**-30,445**	**-66,149**	**-62,634**	**-136,997**
Personnel expenses					
Wages and salaries	-11,227	-8,470	-21,768	-16,316	-35,489
Social security expenses					
Pension expenses	-1,413	-1,458	-2,911	-2,257	-5,119
Other social security expenses	-1,742	-1,298	-3,300	-2,120	-4,777
	-14,382	**-11,226**	**-27,979**	**-20,693**	**-45,386**
Depreciation, amortisation and impairments	-4,262	-3,879	-8,324	-6,935	-14,568
Other operating expenses	-8,834	-5,905	-17,308	-11,008	-27,529
OPERATING PROFIT (LOSS)	**-37**	**1,492**	**2,506**	**6,084**	**16,413**
Financial income and expenses					
Other interest and financial income	2,119	-507	2,633	415	1,222
Interest expenses and other financial expenses	-3,784	349	-5,157	-1,953	-4,525
	-1,665	**-159**	**-2,524**	**-1,538**	**-3,303**
PROFIT BEFORE TAXES	**-1,702**	**1,334**	**-17**	**4,546**	**13,110**
Income taxes	-896	-971	-2,189	-2,232	-5,312
Minority interest	-4	-9	-19	-49	-90
PROFIT (LOSS) FOR THE PERIOD	**-2,602**	**354**	**-2,226**	**2,265**	**7,708**

CONSOLIDATED BALANCE SHEET

EUR thousand	30 Jun 2022	30 Jun 2021	31 Dec 2021
ASSETS			
NON–CURRENT ASSETS			
Development costs	326	0	297
Immaterial rights	103	231	79
Goodwill	112,835	106,342	109,918
Other intangible assets	1,347	1,642	1,437
Intangible assets total	**114,611**	**108,215**	**111,732**
Buildings and structures	25	0	33
Machinery and equipment	3,304	2,929	3,485
Other tangible assets	649	137	616
Advance payments and work in progress	45	0	76
Tangible assets total	**4,022**	**3,066**	**4,209**
Other shares and holdings	340	811	79
Investments total	**340**	**811**	**79**
TOTAL NON-CURRENT ASSETS	**118,973**	**112,092**	**116,020**
CURRENT ASSETS			
Work in progess	1,092	0	730
Finished products/goods	70,189	54,691	67,273
Advance payments	4,124	5,572	5,243
Inventories total	**75,405**	**60,263**	**73,247**
Deferred tax assets	0	259	0
Other receivables	6	0	5
Total long-term receivables	**6**	**259**	**5**
Trade receivables	27,903	22,792	26,923
Other receivables	538	972	665
Prepaid expenses and accrued income	5,274	3,124	6,199
Total short-term receivables	**33,716**	**26,887**	**33,787**
Cash at bank and in hand	6,834	23,771	11,803
TOTAL CURRENT ASSETS	**115,961**	**111,179**	**118,842**
TOTAL ASSETS	**234,934**	**223,271**	**234,862**

EUR thousand	30 Jun 2022	30 Jun 2021	31 Dec 2021
EQUITY			
Share capital	80	80	80
Reserve for invested unrestricted equity	72,150	69,345	69,282
Retained earnings	14,907	12,438	11,644
Profit (loss) for the period	-2,226	2,265	7,708
TOTAL EQUITY	**84,912**	**84,128**	**88,713**
MINORITY INTEREST	**0**	**366**	**404**
Provisions	0	285	48
NON–CURRENT LIABILITIES			
Loans from financial institutions	101,454	94,438	90,720
Other loans and purchase consideration liability	0	2,896	1,561
Deferred tax liabilities	3,190	3,242	3,307
Total non-current liabilities	**104,644**	**100,576**	**95,588**
CURRENT LIABILITIES			
Loans from financial institutions	6,534	6,000	6,042
Advances received	8	0	34
Other loans and purchase consideration liability	2,125	24	1,561
Trade payables	14,195	13,865	15,402
Other liabilities	6,116	11,162	9,699
Accrued expenses and deferred income	16,399	6,865	17,371
Total current liabilities	**45,378**	**37,916**	**50,109**
TOTAL LIABILITIES	**150,022**	**138,492**	**145,697**
EQUITY AND LIABILITIES TOTAL	**234,934**	**223,271**	**234,862**

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Profit (loss) for the period	**-2,602**	**354**	**-2,226**	**2,265**	**7,708**
Adjustments					
Depreciation, amortisation and impairments	4,262	3,878	8,324	6,934	14,568
Financial income and expenses	1,674	664	2,532	1,274	3,305
Income tax	896	990	2,189	2,232	5,312
Minority interest in net income	4	9	19	49	90
Other adjustments	-159	-523	-164	267	-105
Operating cash flow before working capital changes	**4,075**	**5,372**	**10,674**	**13,021**	**30,877**
Changes in working capital					
Increase/decrease in inventories	-2,218	-3,351	-3,104	-5,445	-14,985
Increase/decrease short-term receivables	2,023	2,825	-35	-158	-1,199
Increase/decrease in provisions	-48	123	-48	123	0
Increase/decrease short-term liabilities	-2,268	-4,666	-4,462	1,091	3,698
Cash flows from operations before financial items and taxes	**1,564**	**303**	**3,026**	**8,631**	**18,392**
Interest and other financial expenses paid	-1,283	-1,233	-1,412	-1,275	-2,784
Dividends received	5	0	5	0	0
Interest received	22	0	41	0	67
Income taxes paid	-1,218	-319	-2,682	-2,253	-4,052
Net cash from operating activities	**-911**	**-1,249**	**-1,022**	**5,103**	**11,623**
Acquisition of subsidiaries, net of cash acquired	-8,084	-1,941	-10,185	-47,116	-59,607
Purchase of tangible and intangible assets	-225	-821	-651	-1,171	-2,285
Net cash used in investing activities	**-8,308**	**-2,762**	**-10,836**	**-48,287**	**-61,892**
Proceeds from shares subscribed by using option rights	207	915	207	915	915
Dividends paid	-6,459	-5,189	-6,459	-5,189	-5,189
Proceeds from current borrowings	0	0	0	0	4,500
Repayment of current borrowings	-31	1,300	-35	0	-6,569
Proceeds from non-current borrowings	9,500	-300	16,500	40,435	40,735
Repayment of non-current borrowings	-3,323	-4,042	-3,323	-4,042	-6,743
Net cash used in financing activities	**-107**	**-7,316**	**6,890**	**32,119**	**27,649**
Net change in cash and cash equivalents	**-9,326**	**-11,327**	**-4,969**	**-11,064**	**-22,621**
Cash and cash equivalents, opening amount	**16,094**	**34,887**	**11,803**	**34,669**	**34,669**
Effects of exchange rate fluctuations	66	211	0	166	-245
Cash and cash equivalents	**6,834**	**23,771**	**6,834**	**23,771**	**11,803**

CHANGES IN THE GROUP'S EQUITY

EUR thousand	Share capital	Reserve for invested unrestricted equity	RETAINED EARNINGS TOTAL Retained earnings excluding translation differences	Translation differences	Retained earnings total	Total
Equity 1.1.2022	**80**	**69,282**	**21,904**	**-2,553**	**19,351**	**88,713**
Change in translation differences				2,015	2,015	2,015
Share issue		2,662				2,662
Shares subscribed by using option rights		207				207
Dividend distribution			-6,459		-6,459	-6,459
Profit (loss) for the period			-2,226		-2,226	-2,226
Equity 30.6.2022	**80**	**72,150**	**13,219**	**-538**	**12,681**	**84,912**

Equity 1.1.2021	**80**	**56,226**	**19,385**	**-3,745**	**15,640**	**71,946**
Change in translation differences				1,986	1,986	1,986
Share issue		13,119				13,119
Dividend distribution			-5,189		-5,189	-5,189
Profit (loss) for the period			2,265		2,265	2,265
Equity 30.6.2021	**80**	**69,345**	**16,461**	**-1,759**	**14,703**	**84,128**

Equity 1.1.2021	**80**	**56,226**	**19,385**	**-3,745**	**15,640**	**71,946**
Change in translation differences				1,192	1,192	1,192
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
Equity 31.12.2021	**80**	**69,282**	**21,904**	**-2,553**	**19,351**	**88,713**

ACCOUNTING PRINCIPLES

The Half-year financial report for the January 1–June 30 2022 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 2021. 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' 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	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Earnings per share, basic	-0.14	0.02	-0.12	0.13	0.44
Earnings per share, diluted	-0.14	0.02	-0.12	0.12	0.42
Comparable earnings per share, basic	-0.14	0.02	-0.12	0.13	0.44
Comparable earnings per share excluding amortisation on goodwill, basic	0.07	0.21	0.30	0.48	1.17
Comparable earnings per share, diluted	-0.14	0.02	-0.12	0.12	0.42
Comparable earnings per share excluding amortisation on goodwill, diluted	0.07	0.20	0.29	0.46	1.12

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Number of outstanding shares at the end of the period	18 132 308	17 941 433	18 132 308	17 941 433	17 941 433
Weighted average number of shares, basic	17 997 644	17 681 930	17 969 669	17 370 082	17 658 106
Weighted average number of shares, diluted	17 738 260	18 443 415	18 725 984	18 261 525	18 471 214

GROUP KEY FIGURES

EUR thousand unless stated otherwise	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Net Sales	58,631	52,237	120,550	105,759	237,927
Net sales growth, %	12.2%	78.9%	14.0%	79.4%	84.5%
Gross profit	26,680	21,792	54,703	43,125	100,822
Gross margin, %	45.5%	41.7%	45.4%	40.8%	42.4%
EBITDA	4,225	5,371	10,830	13,019	30,981
EBITDA margin, %	7.2%	10.3%	9.0%	12.3%	13.0%
EBITA	3,729	4,817	9,833	12,206	29,271
EBITA margin, %	6.4%	9.2%	8.2%	11.5%	12.3%
Operating profit	-37	1,492	2,506	6,084	16,413
Operating profit margin, %	-0.1%	2.9%	2.1%	5.8%	6.9%
Profit (loss) for the period	-2,602	354	-2,226	2,265	7,708
Profit (loss) for the period margin, %	-4.4%	0.7%	-1.8%	2.1%	3.2%
Comparable profit (loss)	-2,436	354	-1,986	2,265	7,827
Comparable profit (loss) margin, %	-4.2%	0.7%	-1.6%	2.1%	3.3%
Comparable profit (loss) excluding amortisation of goodwill	1,330	3,678	5,340	8,387	20,685
Comparable profit (loss) excluding amortisation of goodwill margin, %	2.3%	7.0%	4.4%	7.9%	8.7%
Items affecting comparability included in profit (loss) for the period	166	0	240	0	119
Net working capital	70,285	58,968	70,285	58,968	63,001
Inventories	75,405	60,263	75,405	60,263	73,247
Free cash flow	1,339	-518	2,375	7,461	16,107
Cash conversion	31.7%	-9.6%	21.9%	57.3%	52.2%
Net debt	101,153	76,666	101,153	76,666	84,959
Net debt to EBITDA, annualized	4.7	2.9	4.7	2.9	2.7
Net gearing	119.1%	90.7%	119.1%	90.7%	95.3%
Equity ratio	36.1%	37.8%	36.1%	37.8%	37.9%
Return on investment (ROI) *)	-	-	5.2%	8.1%	11%
Return on equity (ROE) *)	-	-	-5.1%	5.9%	9.7%
Return on assets (ROA) *)	-	-	4.2%	6.9%	9.1%
Earnings per share, basic (EUR) **)	-0.14	0.02	-0.12	0.13	0.44
Earnings per share, diluted (EUR) **)	-0.14	0.02	-0.12	0.12	0.42
Comparable earnings per share, basic (EUR) **)	-0.14	0.02	-0.12	0.13	0.44
Comparable earnings per share, diluted (EUR) **)	-0.14	0.02	-0.12	0.12	0.42
Comparable earnings per share excluding **) amortisation of goodwill, basic (EUR)	0.07	0.21	0.30	0.48	1.17
Comparable earnings per share excluding **) amortisation of goodwill, diluted (EUR)	0.07	0.20	0.29	0.46	1.12
Average number of employees	1,005	840	987	737	812
Personnel at the end of the period, FTE	1,023	854	1,023	854	950

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

**) The average undiluted number of shares Jan-Jun 2022 was 17,969,669 and Jan-Jun 2021 17,370,082. The average diluted number of shares Jan-Jun 2022 was 18,725,984 and Jan-Jun 2021 18,261,525.

ACCOUNTING PRINCIPLES FOR KEY FIGURES

Key figure	Definition
EBITA[1]	Operating profit + amortization of consolidated goodwill
EBITDA[1]	Operating profit + depreciation, amortization, and impairments
Gross profit	Net sales - materials and services
Gross margin	Gross profit/net sales *100
Items affecting comparability included in 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 amortization of goodwill[1]	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 (half-year period figures annualized multiplying by two)
Net gearing	Net debt/Equity + minority interest
Equity ratio	Equity + minority interest/Equity and liabilities, total
Return on investment (ROI)	(Operating profit + other interest and financial income - listing expenses, (half-year period figures annualized multiplying by two) / (Equity + minority interest + loans from financial institutions + other loans + capital loans + convertible bonds, average)
Return on equity (ROE)	Profit (loss) for the period + minority interest, (half-year period figures annualised multiplying by two) / (Equity + minority interest, average)
Return on assets (ROA)	(Operating profit + other interest financial income - listing expenses, half year period figures annualized multiplying by two) / (Total assets, average)
	[1] Key measure margin, % has been calculated by dividing the measure with net sales and multiplying by 100.

RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

In thousand euros unless stated otherwise	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
Net sales	**58,631**	**52,237**	**120,550**	**105,759**	**237,927**
Materials and services	-31,951	-30,445	-65,847	-62,634	-137,105
Gross profit	**26,680**	**21,792**	**54,703**	**43,125**	**100,822**
Gross margin, %	45.5%	41.7%	45.4%	40.8%	42.4%
Operating profit	**-37**	**1,492**	**2,506**	**6,084**	**16,413**
Depreciation, amortization and impairments	4,262	3,879	8,324	6,935	14,568
EBITDA	**4,226**	**5,371**	**10,830**	**13,019**	**30,981**
EBITDA margin, %	7.2%	10.3%	9.0%	12.3%	13.0%
Operating profit	**-37**	**1,492**	**2,506**	**6,084**	**16,413**
Amortization of goodwill	3,766	3,324	7,327	6,122	12,858
EBITA	**3,729**	**4,816**	**9,833**	**12,206**	**29,271**
EBITA margin, %	6.4%	9.2%	8.2%	11.5%	12.3%
Profit (loss) for the period	**-2,602**	**354**	**-2,226**	**2,265**	**7,708**
Items affecting comparability included in profit (loss) for the period					
Listing expenses	166	0	240	0	119
Other non-recurring finance expenses	0	0	0	0	0
Tax impact of items affecting comparability	0	0	0	0	0
Items affecting comparability included in profit (loss) for the period	**166**	**0**	**240**	**0**	**119**
Comparable profit (loss)	**-2,436**	**354**	**-1,986**	**2,265**	**7,827**
Comparable profit (loss) margin, %	-4.2%	0.7%	-1.6%	2.1%	3.3%
Amortization of goodwill	3,766	3,324	7,327	6,122	12,858
Comparable profit (loss) excluding amortization of goodwill	**1,330**	**3,678**	**5,340**	**8,387**	**20,686**
Comparable profit (loss) excluding amortization of goodwill margin, %	2.3%	7.0%	4.4%	7.9%	8.7%
Operating cash flow before working capital changes	4,075	5,372	10,674	13,021	30,877
Change in working capital	-2,512	-5,069	-7,648	-4,389	-12,486
Purchase of tangible and intangible assets	-225	-821	-651	-1,171	-2,285
Free cash flow	**1,339**	**-518**	**2,375**	**7,461**	**16,107**
Cash conversion	**31.7%**	**-9.6%**	**21.9%**	**57.3%**	**52.2%**