

# RELAIS



Half-Year Financial Report  
January-June 2023

## RELAIS GROUP PLC HALF-YEAR FINANCIAL REPORT JANUARY-JUNE 2023 (UNAUDITED): CONTINUED STRONG AND PROFITABLE GROWTH

Profitability and cash flow from operations were improved by continued positive development in the Commercial Vehicle Repair and Maintenance business, implemented operative efficiency improvement measures as well as acquisitions carried out in Sweden, Denmark, and Finland.

### APRIL-JUNE 2023 IN BRIEF

- Net sales totalled EUR 64.1 million (April-June 2022: 58.6), change +9%
- EBITA was EUR 4.8 (3.4) million, 7.5% (5.8%) of net sales, change +42%
- Comparable EBITA was EUR 4.8 (3.8) million, 7.5% (6.5%) of net sales, change +27%
- EBIT was EUR 4.0 (2.6) million, 6.2% (4.4%) of net sales, change +55%
- Comparable EBIT was EUR 4.0 (3.0) million, 6.2% (5.1%) of net sales, change +34%
- Comparable earnings per share excluding amortisation of acquisitions (undiluted) was EUR 0.06 (0.07) \*)
- Net cash flow from operations improved significantly from previous year and was EUR 6.7 (2.9) million
- The development of the EUR/SEK exchange rate during the review period had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.3 million higher than reported \*\*)

### JANUARY-JUNE 2023 IN BRIEF

- Net sales totalled EUR 133.1 million (January-June 2022: 120.7) change +10%
- EBITA was EUR 12.3 (9.1) million, 9.3% (7.5%) of net sales, change +35%
- Comparable EBITA was EUR 12.4 (10.0) million, 9.3% (8.3%) of net sales, change +25%
- EBIT was EUR 10.6 (7.5) million, 8.0% (6.2%) of net sales, change +41%
- Comparable EBIT was EUR 10.7 (8.4) million, 8.0% (6.9%) of net sales, change +27%
- Comparable earnings per share excluding amortisation of acquisitions (undiluted) was EUR 0.27 (0.28) \*)
- Net cash flow from operations improved significantly from previous year and was EUR 17.7 (5.3) million
- The development of the EUR/SEK exchange rate during the review period had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.7 million higher than reported \*\*)

\*) Average undiluted number of shares April-June 2023: 18,132,258 (April-June 2022: 18,132,308). January-June 2023: 18,132,258 (January-June 2022: 17,969,669).

\*\*) The EUR/SEK impact has been calculated by converting the SEK denominated EBITA of the Swedish entities to EUR with the reporting period average EUR/SEK rate as well as the comparison period average EUR/SEK rate and comparing these two (translation difference).

Unless stated otherwise, figures in parentheses refer to the corresponding period of the previous year.

The change percentages in the tables have been calculated on exact figures before the amounts were rounded to millions of euros.

### KEY FIGURES

EUR thousand unless stated otherwise	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	64,101	58,599	133,051	120,718	260,683
Net sales growth, %	9.4%	-	10.2%	-	9.6%
Gross profit	29,274	26,633	61,360	54,767	117,214
Gross margin, %	45.7%	45.4%	46.1%	45.4%	45.0%
EBITDA	8,586	6,569	19,682	15,434	36,581
EBITDA margin, %	13.4%	11.2%	14.8%	12.8%	14.0%

Comparable EBITDA	8,586	6,979	19,770	16,294	39,414
Comparable EBITDA, %	13.4%	11.9%	14.9%	13.5%	15.1%
EBITA	4,811	3,379	12,328	9,113	22,980
EBITA margin, %	7.5%	5.8%	9.3%	7.5%	8.8%
Comparable EBITA	4,811	3,789	12,417	9,973	25,813
Comparable EBITA, %	7.5%	6.5%	9.3%	8.3%	9.9%
Operating profit	3,962	2,553	10,591	7,522	19,648
Operating profit margin, %	6.2%	4.4%	8.0%	6.2%	7.5%
Comparable operating profit	3,962	2,963	10,679	8,381	22,481
Comparable operating profit, %	6.2%	5.1%	8.0%	6.9%	8.6%
Profit (loss) for the period	170	-7	3,117	2,650	10,075
Profit (loss) for the period margin, %	0.3%	0.0%	2.3%	2.2%	3.9%
Comparable profit (loss)	170	402	3,206	3,509	12,907
Comparable profit (loss) margin, %	0.3%	0.7%	2.4%	2.9%	5.0%
Comparable profit (loss) excluding amortisation of acquisitions	1,019	1,229	4,944	5,101	16,239
Comparable profit (loss) excluding amortisation of acquisitions margin, %	1.6%	2.1%	3.7%	4.2%	6.2%
Items affecting comparability included in profit (loss) for the period	0	410	88	859	2,832
Net working capital	56,229	67,843	56,229	67,843	62,551
Inventories	68,610	75,489	68,610	75,489	67,804
Free cash flow	5,910	2,342	15,527	3,245	24,070
Cash conversion	68.8%	35.7%	78.9%	21.0%	65.8%
Net Debt excl. leasing Liabilities	85,317	101,036	85,317	101,036	90,056
Net Debt (excl. Leasing Liabilities) to EBITDA, rolling	2.09	2.73	2.09	2.73	2.46
Net gearing excl. leasing Liabilities	88.6%	102.6%	88.6%	102.6%	86.6%
Equity ratio	31.3%	31.9%	31.3%	31.9%	33.6%
Return on investment (ROI)	-	-	10.7%	7.8%	9.4%
Return on equity (ROE)	-	-	6.2%	5.2%	9.7%
Return on assets (ROA)	-	-	8.9%	6.6%	7.8%
Earnings per share, basic (EUR)	0.01	0.00	0.17	0.15	0.56
Earnings per share, diluted (EUR)	0.01	0.00	0.17	0.15	0.54
Comparable earnings per share, basic (EUR)	0.01	0.02	0.18	0.20	0.72
Comparable earnings per share, diluted (EUR)	0.01	0.02	0.17	0.20	0.69
Comparable earnings per share excluding amortisation of acquisitions, basic (EUR)	0.06	0.07	0.27	0.28	0.90
Comparable earnings per share excluding amortisation of acquisitions, diluted (EUR)	0.05	0.07	0.26	0.27	0.87
Average number of employees	1,031	1,005	1,020	987	997
Personnel at the end of the period, FTE	1,044	1,023	1,044	1,023	1,009

\*) The average undiluted number of shares April-June 2023: 18,132,258 (April-June 2022: 18,132,308). January-June 2023: 18,132,258 (January-June 2022: 17,969,669). The average diluted number of shares April-June 2023: 18,811,560 (April-June 2022: 18,738,260). January-June 2023: 18,799,196 (January-June 2022: 18,725,984).

## 2023 OUTLOOK AND LONG-TERM FINANCIAL TARGET

The Company does not provide a numeric guidance for the financial year 2023. On 2 March 2023, the company issued a revised long-term financial target, according to which the company aims to reach a proforma EBITA of EUR 50 million by the end of the year 2025. Relais considers a profit target to be more relevant in describing the shareholder value creation potential of the Company, as opposed to a net sales target. The previous financial target of the Company was to reach pro forma net sales of EUR 500 million by the end of year 2026.

## EVENTS AFTER THE REVIEW PERIOD

On 1 August Relais Group announced that it had signed an agreement regarding the acquisition of the Norwegian workshop equipment business unit of NDS Group AS, comprising the assets and personnel of the AutoMateriell business and the shares in Nordic Lift AS.

In 2022 the total revenue of the acquired business unit was approximately NOK 198 million and the operating profit approximately NOK 13 million. The enterprise value of the acquired business unit was approximately NOK 70 million and the provisional purchase price approximately NOK 58 million.

The acquired business unit will be consolidated into Relais Group from the beginning of August 2023.

## CEO ARNI EKHOLM COMMENTS THE SECOND QUARTER AND THE FIRST HALF OF 2023

“The strong growth of Relais Group continued also during the second quarter of the year. Net sales grew by 15% and EBITA by 50% with constant exchange rates compared to the same period last year. During the first half of the year net sales growth was 15% and EBITA growth 43% with constant exchange rates compared to the same period last year.

The main factors behind the strong growth were the continued positive development of the Group's Commercial Vehicle Repair and Maintenance business, and the acquisitions carried out in Sweden, Denmark, and Finland.

The Commercial Vehicle Repair and Maintenance business continued to perform strongly, driven by the robust customer demand in both Finland and Sweden combined with the effect of the efficiency measures initiated last year. The capacity utilization of the workshops is still at a very healthy level and the gross profit has developed positively despite somewhat increased operating costs. Net sales growth of the business was 15% in the quarter (organic growth 11%) with constant exchange rates.

Net sales of the Technical Wholesale and Products business grew 10% organically in Scandinavia with constant exchange rates during the quarter. The strongly weakened Swedish krona had a negative effect on the reported profitability, which was offset by the positive effect of the acquisition of SET A/S in Denmark. In Finland and Baltics net sales were largely in line with last year, but profitability was weakened by the sluggish consumer demand especially affecting the on-line business in Finland.

The sales of the Lighting product group continued to grow, especially driven by the successful export of Strands Group products in Central Europe. Strands lighting products are now also available in Australia where we are partnering with a major local distributor.

Acquisitions continued to be a major growth driver of Relais Group. The acquisitions carried out in Sweden and Denmark in 2022 (Skeppsbrons, SET) had a very positive effect on the profitability of the Group during the first half of this year. In addition, the acquisition of ADITA early 2023 strengthened the position of Startax in Finland. The latest acquisitions (AutoMateriell and Nordic Lift in Norway), finalized in early August this year are creating an exciting new business area for the Group with several add-on acquisition possibilities within the Nordic countries. Expanding into the workshop equipment business gives Relais Group the possibility to capitalize on the growing trend of conversion towards “EV-ready” workshops and gives us the

possibility to serve our customers with an even broader range of products and services. Furthermore, we are continuing our efforts to carry out further acquisitions in line with our growth strategy this year.

Regarding the rest of the year, we are looking forward to the important lighting season starting in August-September. We have several exciting new products to be launched this autumn. The inventory situation is good, allowing us to deliver products in a timely manner. However, there are also some dark clouds in the sky. The inflation is still on a high level, the dramatically risen interest rates are affecting the consumers' purchase power negatively and there are early signs of increasing unemployment. Nevertheless, we feel that we have a good possibility to continue implementing our strategy also during the second half of 2023.

Finally, I want to express my heartfelt thanks to all Relais Group team members for your strong performance during the second quarter. In addition, I want to take the opportunity to warmly welcome our new colleagues in Norway to join the fast-growing Relais Group family."

## STRATEGY

Relais Group Plc is a consolidator and smart compounder with a sector focus on vehicle aftermarket in the Nordic region. We serve as a growth platform for our group companies and build them into great businesses.

We consider the value generated during the whole vehicle life cycle and are focused on the sector with biggest potential for earnings growth, the aftermarket.

We create shareholder value by delivering strong earnings growth through a strategy based on three reinforcing themes:

- Acquisitions
- Synergies
- Operational excellence

## SALES

In **April-June 2023**, the Group's net sales were EUR 64.1 (58.6) million, an increase of 9%. With constant exchange rates the growth was approximately 15%.

The increase in net sales was attributable to the significant organic sales increase in the Commercial Vehicle Repair and Maintenance business as well as acquisitions made in Sweden, Denmark, and Finland in both main businesses.

Net sales of the Commercial Vehicle Repair and Maintenance business were EUR 22.8 (20.5) million, an increase of 11%. With constant exchange rates the growth was approximately 15%. The increase was attributable to strong customer demand in both Finland and Sweden combined with the positive impact of the efficiency measures initiated in 2022. Furthermore, the sales figures of Skeppsbrons Jönköping AB were included the whole reporting period compared to only two months in the comparison period.

Net sales of the Technical Wholesale and Products business were EUR 41.3 (38.1) million, an increase of 9%. With constant exchange rates the growth was approximately 15%. Comparable sales increased in Scandinavia but mostly the increase was attributable to the sales of the acquired businesses S-E-T A/S, Ecofoss A/S and Adita Oy. In Finland and Baltics net sales were on last year's level but consumer demand was sluggish affecting especially the on-line business in Finland.

Net sales grew in Scandinavia by 7% and in Finland and the Baltics by 12%.

On product group level sales increased the most in Equipment, 21% and in Lighting, 7%.

In **January-June 2023**, the Group's net sales were EUR 133.1 (120.7) million, an increase of 10%. With constant exchange rates the growth was approximately 15%.

The increase in net sales was attributable to the significant organic sales increase in the Commercial Vehicle Repair and Maintenance business as well as the acquisitions made in Sweden, Denmark, and Finland in both main businesses.



Net sales of the Commercial Vehicle Repair and Maintenance business were EUR 47.4 (40.8) million, an increase of 16%. With constant exchange rates the growth was approximately 19%. The increase was attributable to strong customer demand in both Finland and Sweden combined with the impact of the efficiency measures initiated in 2022. Furthermore, the sales figures of Skeppsbrons Jönköping AB were included the whole reporting period compared to only two months in the comparison period.

Net sales of the Technical Wholesale and Products business were EUR 85.6 (79.9) million, an increase of 7%. With constant exchange rates the growth was approximately 12%. Organic sales increased in Scandinavia but mostly the increase was attributable to the sales of the acquired businesses S-E-T A/S, Ecofoss A/S and Adita Oy. In Finland and Baltics net sales were at last year's levels but consumer demand was sluggish affecting especially the on-line business in Finland.

Net sales grew in Scandinavia by 13% and in Finland and the Baltics by 7%.

On product group level sales increased the most in Equipment, 17% and in Lighting, 7%.

## FINANCIALS

### Financial result

In **April-June 2023**, the Group's EBITA was EUR 4.8 (3.4) million and the comparable EBITA EUR 4.8 (3.8) million. EBITA was 7.5 (5.8) % of net sales and comparable EBITA 7.5 (6.5) % of net sales. EBITA grew by 42% and comparable EBITA by 27%.

The improvement in EBITA was attributable to the profitability improvement in the Commercial Vehicle Repair and Maintenance business as well as the corporate acquisitions made in 2022 and 2023. Sluggish consumer demand impacted negatively on the profitability of the Technical Wholesale and Products business in Finland and the Baltics. Especially the on-line business in Finland was negatively impacted.

The continued significant weakening of the Swedish krona in April-June had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.3 million higher than reported.

Operating profit for the reporting period was EUR 4.0 (2.6) million or 6.2 (4.4) % of net sales. Against last year the operating profit improved by 55%. The comparable operating profit was EUR 4.0 (3.0) million or 6.2 (5.1) % of net sales, an increase of 34%.

In **January-June 2023**, the Group's EBITA was EUR 12.3 (9.1) million and the comparable EBITA EUR 12.4 (10.0) million. EBITA was 9.3 (7.5) % of net sales and comparable EBITA 9.3 (8.3) % of net sales. EBITA grew by 35% and comparable EBITA by 25%.

The improvement in EBITA was attributable to the profitability improvement in the Commercial Vehicle Repair and Maintenance business as well as corporate acquisitions made in 2022 and 2023. Sluggish consumer demand impacted negatively on the profitability of the Technical Wholesale and Products business in Finland and the Baltics. Especially the on-line business in Finland was negatively impacted.

The significant weakening of the Swedish krona in January-June had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.7 million higher than reported.

Operating profit for the reporting period was EUR 10.6 (7.5) million or 8.0 (6.2) % of net sales. Against last year the operating profit improved by 41%. The comparable operating profit was EUR 10.7 (8.4) million or 8.0 (6.9) % of net sales, an increase of 27%.

Net financial items were EUR -4.9 (-3.1) million. Financial items included exchange rate differences amounting to EUR -1.5 (-1.4) million, of which EUR -1.5 (-1.4) million were unrealized. The exchange rate differences were attributable to the exchange rate differences of SEK denominated interest-bearing loans. The impact of lease liabilities on interest expenses was EUR -0.8 (-0.7) million. The increase in interest expenses was attributable to the increased interest rates on interest-bearing loans.

The profit for the period was EUR 3.1 (2.7) million and the comparable profit for the period was EUR 3.2 (3.5) million. Earnings per share (basic) were EUR 0.17 (0.15). The comparable earnings per share excluding amortisation of acquisitions (basic) was EUR 0.27 (0.28).

When calculating comparable alternative performance measures, transaction costs and certain additional purchase price items of company acquisitions as well as listing costs are eliminated as items affecting comparability. These items, related to the implementation of the company's strategy, can be significant and vary significantly between reporting periods. Therefore, the comparable alternative performance measures calculated in this way are considered to better describe the Group's profitability and business performance.

## **Balance sheet**

The consolidated balance sheet total on 30 June 2023 was EUR 307.3 (308.8) million. Non-current assets were EUR 189.2 (193.5) million, of which EUR 114.0 (118.0) million was attributable to goodwill and EUR 57.2 (54.4) million to right of use assets.

Net working capital amounted to EUR 56.2 (67.8) million and inventories were EUR 68.6 (75.5) million. The reduction in net working capital originated in implemented operative efficiency improvement measures especially relating to inventories.

## **Cash flow and financing**

In **January-June 2023** cash flow from operations was EUR 17.7 (5.3) million. The significant increase in cash flow from operations was attributable to improved profitability especially in the Commercial Vehicle Repair and Maintenance business, operative efficiency improvement measures especially relating to net working capital and to corporate acquisitions made in the year 2022 and 2023. Working capital and inventories decreased especially in the spare part wholesale operations.

Cash flow from investing activities was EUR -4.0 (-9.6) million. Out of this EUR -3.2 (-8.9) million was related to corporate acquisitions. In the review period these constituted the acquisition of the shares in Adita Oy in March as well as an additional purchase price of SEK 25 million paid to the previous owners of Strands Group AB in May in line with the share purchase agreement. Additionally, investments in machinery and equipment were made to an aggregate amount of EUR -1.0 (-0.8) million.

Free cash flow was EUR 15.5 (3.2) million.

Cash flow from financing activities was EUR -13.4 (-0.7) million. It consisted of repayments of lease liabilities, repayments of non-current loans and dividend payments.

Relais Group Plc agreed on 24 February 2023 with its principal bank on amendments to its senior financing agreement originally concluded in 2019 and previously amended in May 2022. The maturity of the financing agreement was extended by one year until the end of May 2025. According to the amended financing agreement the maximum financial exposure is EUR 126.9 million consisting of a maximum of EUR 104.4 million in acquisition financing, EUR 15.5 million in uncommitted senior facilities agreement and an RCF limit of EUR 7.0 million. According to the previous, in May 2022 amended financing agreement, the maximum financial exposure was EUR 133.7 million consisting of a maximum of EUR 111.2 million in acquisition financing, EUR 15.5 million in uncommitted senior facilities agreement and an RCF limit of EUR 7.0 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 5.6 million. At the end of 2022, the undrawn portion of the uncommitted senior facilities was EUR 15.5 million and of RCF limit EUR 4.8 million.

The Group's net debt excluding lease liabilities was at the end of the review period EUR 85.3 (101.0) million. Net gearing excluding lease liabilities was 88.6 (102.6) %. The equity ratio was 31.3 (31.9) % and the Group's cash assets were at the end of the review period EUR 13.5 (6.8) million. The changes in the consolidated balance sheet key figures arose mainly from acquisitions and changes in net working capital.

The Group's total equity was EUR 96.3 (98.5) million. Equity attributable to owners of the parent company was EUR 96.3 (98.5) million or EUR 5.3 (5.4) per share.

## CHANGES IN THE GROUP STRUCTURE

On 29 March 2023, Relais Group acquired all shares in Adita Oy. Adita is a local distributor of spare parts and equipment for cars and marine use in the Helsinki region. In 2022 its net sales were EUR 5.6 million and the number of employees was 14.

Adita Oy has been consolidated into the Group's consolidated accounts starting 1 March 2023.

## PERSONNEL

In **January-June 2023** the Group employed an average of 1,020 (987) employees. On 30 June 2023 the personnel amounted to 1,044 (1,023) representing an increase of 22.

Salaries and fees paid totalled EUR 29.0 (28.2) million.

## MANAGEMENT

At the end of June 2023, Relais Group's Management Team consisted of Arni Ekholm (Group CEO), Thomas Ekström (Group CFO), Juan Garcia (Managing Director (Scandinavia)), Ville Mikkonen (Managing Director (Finland and Baltics)), Jan Popov (Managing Director of Raskone Oy), Johan Carlos (Managing Director of Strands Group AB), Sebastian Seppänen (Director, M&A and Business Development) and Jon Strand (Director Marketing and Sales Development (interim)).

## RESOLUTIONS OF THE ANNUAL GENERAL MEETING AND AUTHORIZATIONS

Relais Group Plc's Annual General Meeting ("AGM") held on 5 April 2023 confirmed the company's financial statements for the financial year 1 January-31 December 2022 and discharged the members of the Board of Directors and the Managing Director from liability.

The AGM decided five members to be elected to the Board of Directors and re-elected Anders Borg, Olli-Pekka Kallasvuori, Katri Nygård, Jesper Otterbeck and Lars Wilsby as 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 decided that a dividend of EUR 0.40 per share to be paid on the basis of the adopted balance sheet for the financial year 2022. The dividend will be paid in two instalments. The first instalment of the dividend, EUR 0.20 per share, will be paid to shareholders who, on the record date for dividend distribution of 11 April 2023, are registered in the shareholders' register of the company, maintained by Euroclear Finland Ltd. The first instalment of the dividend will be paid on 18 April 2023. The second instalment of the dividend, EUR 0.20 per share, will be paid to shareholders who, on the record date of 2 November 2023 of the second dividend instalment, are registered in the shareholders' register of the company, maintained by Euroclear Finland Ltd. The second instalment of the dividend will be paid on 9 November 2023. The Board of Directors was authorized, if necessary, to decide on a new dividend distribution record date and payment date for the second instalment of the dividend should the regulations or rules of the Finnish book-entry system change or otherwise so require.

The AGM decided that Article 3 and Article 8 of the Articles of Association was amended by deleting from Article 3 the unnecessary reference to the registration period, and by adding to Article 8 the provisions concerning the venue of the meeting and the holding of a remote meeting.



The AGM authorized the Board of Directors to resolve on the acquisition or accepting as pledge of a maximum of 1,813,231 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 2024, yet no further than until 30 June 2024. 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 3,626,462 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 2024, yet no further than until 30 June 2024. This authorization shall supersede previous authorizations resolved in General Meetings concerning the issue of shares and special rights entitling to shares.

## **BOARD OF DIRECTORS**

The Board of Directors elected in the Annual General Meeting on 5 April 2023 consists of Jesper Otterbeck (chairman), Anders Borg, Olli-Pekka Kallasvuo, Katri Nygård and Lars Wilsby.

## **SHARES AND SHAREHOLDERS**

### **Share capital and number of shares**

At the end of the period under review, the company's fully paid-up share capital, as recorded in the Trade Register, amounted to EUR 80,000 and the number of shares totalled 18,132,308.

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 share does not have a nominal value. All shares provide equal entitlements to the dividend and other fund distribution (including fund distribution in dissolution situations).

### **Shareholdings**

According to the shareholder register maintained by Euroclear Finland, Relais Group had 2,806 shareholders (2,737) at the end of the review period. Of the shares, 8.99 (10.32) % were owned by nominee-registered or non-Finnish holders.

On 30 June 2023 Relais Group held 50 of its own shares.

The company's ten<sup>2</sup> largest registered shareholders and their holdings on 30 June 2023:

Shareholder	Number of shares	%
1. Ari Salmivuori	5,368,800	29.6
2. Nordic Industry Development AB <sup>1</sup>	3,015,600	16.6
3. Helander Holding Oy	885,130	4.9
4. Evli Finland Small Cap Fund	620,816	3.4
5. Rausanne Oy	618,910	3.4
6. Ajanta Oy <sup>2</sup>	469,800	2.6
7. Kauhanen Kari	435,571	2.4
8. Evli Finland Select Fund	399,850	2.2
9. Elo Mutual Insurance Company	357,813	2.0
10. Stadigh Kari	292,200	1.6
11. Finnish Industry Investment Ltd (Tesi)	277,949	1.5
<b>Ten largest combined</b>	<b>12,742,439</b>	<b>70.3</b>
Other shareholders	5,389,869	29.7
<b>Total</b>	<b>18,132,308</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. In the table below, Salmivuori and Ajanta Oy are considered as one shareholder.

On 30 June 2023, the members of the Board of Directors and the Management Team of Relais Group owned a total of 4,066,774 Relais Group shares, corresponding to approximately 22.4% of all shares and votes. 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	67,450
Anders Borg	60,000
Johan Carlos	6,688
Juan Garcia <sup>1</sup>	62,050
Olli-Pekka Kallasvuo <sup>2</sup>	84,300
Ville Mikkonen	174,800
Katri Nygård	106,050
Jesper Otterbeck <sup>3</sup>	3,024,450
Jan Popov	67,823
Sebastian Seppänen	1,000
Jon Strand <sup>4</sup>	382,163
Lars Wilsby <sup>5</sup>	30,000
<b>Total</b>	<b>4,066,774</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 and Otterbeck Management AB, which is controlled by Jesper Otterbeck.

<sup>4</sup> Owned by Tailor Made Global Investment AB, which is controlled by Jon Strand.

<sup>5</sup> Owned by Wilsby Invest AB which is controlled by Lars Wilsby.

### Share trading and the company's market capitalization

In January-June 2023, a total of 719,245 Relais Group shares (1,892,798) were traded on Nasdaq Helsinki, representing 3.97 (10.44) % of the shares outstanding. The total value of the share turnover was EUR 8,494,993 (27,321,561). The lowest price of the share was EUR 9.80 (15.70), the highest was EUR 14.50 (27.70) and the average price was EUR 11.81 (14.43). At the end of June, the closing price of the share was EUR 13.45 (17.00).

The company's market capitalization on 30 June 2023 was EUR 244 (308) million.

## CURRENT OPTION SCHEMES

On 30 June 2023, the current members of the Board of Directors owned a total of 383,450 option rights, corresponding to approximately 2.1% of the company shares and votes. In addition, one former Board member owned a total of 375,000 option rights and the inheritors of a late board member owned a total of 18,800 option rights. All option rights entitle their holders 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).

## LONG-TERM INCENTIVE PLAN

Relais Group has a share-based long-term incentive plan for the company's management. The plan was established in 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 main list 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.

No rewards were paid for the first tranche that was payable during the first half of 2023.

## 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 Group 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, unfavourable valuation of acquisition targets, and risks associated with the successful integration of acquisitions.

The Company's business ties up working capital in the storage of a large product range. In the event of a failure to predict demand or to manage the range of products, this may have adverse financial effects. Relais

is dependent on its retailer network and its net sales can suffer if retailers' businesses underperform or customer relationships change.

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

The Company is subject to normal risks of damage 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 exposed 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 29 November 2022 Prospectus.

## **EVENTS AFTER THE REVIEW PERIOD**

On 1 August the Company announced it had signed an agreement regarding the acquisition of the Norwegian workshop equipment business unit of NDS Group AS, comprising the assets and personnel of the AutoMateriell business and the shares in Nordic Lift AS.

In 2022 the total revenue of the acquired business unit was approximately NOK 198 million and the operating profit approximately NOK 13 million. The enterprise value of the acquired business unit was approximately NOK 70 million and the provisional purchase price approximately NOK 58 million.

The acquired business unit will be consolidated into Relais Group from the beginning of August 2023.

## **FINANCIAL RELEASES IN 2023**

- Q3/2023 Interim Management Statement on Thursday 2 November 2023

## **INVITATION TO THE WEBCAST**

Relais Group's CEO Arni Ekholm and CFO Thomas Ekström will present the result to the media, investors and analysts at a webcast on 10 August 2023, at 10:00 a.m. EEST. The webcast can be followed at <https://relais.videosync.fi/q2-2023-results>.

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

## **COMPARABILITY OF FINANCIAL INFORMATION**

Relais Group acquired the shares of Skeppsbrons Jönköping AB on 24 May 2022 and the shares of S-E-T A/S on 12 December 2022. The 2022 reference data in this Half-Year Financial Report does not include the figures for the companies acquired from the period preceding the commencement of their consolidation in 2022.

Relais Group acquired the shares of Adita Oy on 29 March 2023. The 2022 reference data in this Half-Year Financial Report does not include the figures for Adita Oy.

Relais Group Plc

Board of Directors

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Nasdaq Helsinki

Key Media

[www.relais.fi](http://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 2022 was EUR 260.7 (2021: 237.8) million. During 2022, we completed a total of three acquisitions. We employ approximately 1,000 professionals in six different countries. The Relais Group share is listed on the Main Market of Nasdaq Helsinki with the stock symbol RELAIS.

[www.relais.fi](http://www.relais.fi)



## RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

In thousand euros unless stated otherwise	Apr-Jun 2023	Apr-Jun 2022	Jan- Jun 2023	Jan- Jun 2022	Jan- Dec 2022
<b>Net sales</b>	<b>64,101</b>	<b>58,599</b>	<b>133,051</b>	<b>120,718</b>	<b>260,683</b>
Materials and services	-34,827	-31,966	-71,691	-65,951	-143,469
<b>Gross profit</b>	<b>29,274</b>	<b>26,633</b>	<b>61,360</b>	<b>54,767</b>	<b>117,214</b>
Gross margin, %	45.7%	45.4%	46.1%	45.4%	45.0%
<b>Operating profit</b>	<b>3,962</b>	<b>2,553</b>	<b>10,591</b>	<b>7,522</b>	<b>19,648</b>
<b>Items affecting comparability included in profit (loss) for the period</b>					
Listing expenses	-	166	-	240	1,183
Transaction costs of acquisitions	-	-	88	-	182
Contingent consideration costs of acquisitions	-	244	-	620	1,467
<b>Items affecting comparability included in profit (loss) for the period</b>	<b>-</b>	<b>410</b>	<b>88</b>	<b>859</b>	<b>2,832</b>
<b>Comparable operating profit</b>	<b>3,962</b>	<b>2,963</b>	<b>10,679</b>	<b>8,381</b>	<b>22,481</b>
Depreciation, amortisation and impairments	4,624	4,016	9,091	7,913	16,933
<b>EBITDA</b>	<b>8,586</b>	<b>6,569</b>	<b>19,682</b>	<b>15,434</b>	<b>36,581</b>
EBITDA margin, %	13.4%	11.2%	14.8%	12.8%	14.0%
Items affecting comparability included in profit (loss) for the period	-	410	88	859	2,832
<b>Comparable EBITDA</b>	<b>8,586</b>	<b>6,979</b>	<b>19,770</b>	<b>16,294</b>	<b>39,414</b>
<b>Operating profit</b>	<b>3,962</b>	<b>2,553</b>	<b>10,591</b>	<b>7,522</b>	<b>19,648</b>
Amortisation of acquisitions	849	827	1,738	1,592	3,332
<b>EBITA</b>	<b>4,811</b>	<b>3,379</b>	<b>12,328</b>	<b>9,113</b>	<b>22,980</b>
EBITA margin, %	7.5%	5.8%	9.3%	7.5%	8.8%
Items affecting comparability included in profit (loss) for the period	-	410	88	859	2,832
<b>Comparable EBITA</b>	<b>4,811</b>	<b>3,789</b>	<b>12,417</b>	<b>9,973</b>	<b>25,813</b>
<b>Profit (loss) for the period</b>	<b>170</b>	<b>-7</b>	<b>3,117</b>	<b>2,650</b>	<b>10,075</b>
<b>Comparable profit (loss)</b>	<b>170</b>	<b>402</b>	<b>3,206</b>	<b>3,509</b>	<b>12,907</b>
Comparable profit (loss) margin, %	0.3%	0.7%	2.4%	2.9%	5.0%
Amortisation of acquisitions	849	827	1,738	1,592	3,332
<b>Comparable profit (loss) excluding amortisation of acquisitions</b>	<b>1,019</b>	<b>1,229</b>	<b>4,944</b>	<b>5,101</b>	<b>16,239</b>
Comparable profit (loss) excluding Amortisation of acquisitions margin, %	1.6%	2.1%	3.7%	4.2%	6.2%
Operating cash flow before working capital changes	8,796	6,540	20,191	15,680	38,608

Repayment of lease liabilities	-3,119	-2,529	-6,160	-5,080	-11,243
Interest expenses on leases	-405	-364	-780	-732	-1,446
Change in working capital	1,246	-907	3,257	-5,776	-130
Purchase of tangible and intangible assets	-607	-397	-980	-847	-1,720
<b>Free cash flow</b>	<b>5,910</b>	<b>2,342</b>	<b>15,527</b>	<b>3,245</b>	<b>24,070</b>
Cash conversion to EBITDA	68.8%	35.7%	78.9%	21.0%	65.8%

## ACCOUNTING PRINCIPLES FOR KEY FIGURES

Key figure	Definition
EBITA <sup>1</sup>	Operating profit + amortisation of acquisitions
Comparable EBITA <sup>1</sup>	Operating profit + amortisation of acquisitions + items affecting comparability included in EBITA for the period
EBITDA <sup>1</sup>	Operating profit + depreciation, amortisation, and impairments
Comparable EBITDA <sup>1</sup>	Operating profit + depreciation, amortisation, and impairments + items affecting comparability included in EBITDA for the period
Comparable operating profit <sup>1</sup>	Operating profit + items affecting comparability included in Operating profit for the period
Gross profit	Net sales – materials and services
Gross margin	Gross profit/net sales *100
Items affecting comparability	Listing expenses + transaction costs of acquisitions + contingent consideration costs of acquisitions + other non-recurring expenses + 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 amortisation of acquisitions <sup>1</sup>	Profit (loss) for the period + items affecting comparability included in profit (loss) for the period + amortisation of acquisitions
Comparable earnings per share, basic	Comparable profit (loss) / Weighted average number of shares outstanding during the period
Comparable earnings per share, diluted	Comparable profit (loss) / Weighted average number of shares outstanding during the period + dilutive potential shares
Comparable earnings per share excluding amortisation of acquisitions, basic	Comparable profit (loss) excluding amortisation of acquisitions / Weighted average number of shares outstanding during the period
Comparable earnings per share excluding amortisation of acquisitions, diluted	Comparable profit (loss) excluding amortisation of acquisitions / 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
Net debt excluding leasing liabilities	Loans from financial institutions + other loans + capital loans – loan receivables – receivables from Group companies – subscribed capital unpaid – cash at bank and in hand
Net debt excl. leasing liabilities to comparable EBITDA	Net debt excl. leasing liabilities / Last twelve month's comparable EBITDA
Net gearing excl. leasing liabilities	Net debt excl. leasing liabilities / 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 (periodical figures have been 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, (periodical figures have been annualized) / (Equity + minority interest, average)
Return on assets (ROA)	(Operating profit + other interest financial income – listing expenses (periodical figures have been annualized) / (Total assets, average)
<sup>1</sup> Key measure margin, % has been calculated by dividing the measure with net sales and multiplying by 100.	

## TABLE SECTION, HALF-YEAR FINANCIAL REPORT JANUARY-JUNE 2023

### Content

Consolidated income statement  
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### CONSOLIDATED INCOME STATEMENT

EUR thousand	Note	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Net sales	3	64,101	58,599	133,051	120,718	260,683
Other operating income		724	761	1,348	1,413	2,754
Materials and services		-34,827	-31,966	-71,691	-65,951	-143,469
Employee benefit expenses		-14,630	-14,441	-28,973	-28,187	-54,990
Depreciation, amortisation and impairments		-4,624	-4,016	-9,091	-7,913	-16,933
Other operating expenses		-6,782	-6,384	-14,054	-12,559	-28,397
<b>Operating profit</b>		<b>3,962</b>	<b>2,553</b>	<b>10,591</b>	<b>7,522</b>	<b>19,648</b>
Financial income	4	2,318	2,119	3,127	2,633	4,658
Financial expenses	4	-5,137	-4,016	-8,072	-5,723	-11,113
<b>Net financial expenses</b>		<b>-2,818</b>	<b>-1,897</b>	<b>-4,945</b>	<b>-3,090</b>	<b>-6,454</b>
<b>Profit before income taxes</b>		<b>1,143</b>	<b>655</b>	<b>5,645</b>	<b>4,432</b>	<b>13,194</b>
Income taxes		-973	-663	-2,528	-1,782	-3,119
<b>Profit for the financial year</b>		<b>170</b>	<b>-7</b>	<b>3,117</b>	<b>2,650</b>	<b>10,075</b>
<b>Profit for the financial year attributable to</b>						
Owners of the parent company		170	-5	3,117	2,647	10,072
Non-controlling interest		-	-2	-	2	2
<b>Earnings per share</b>						
Basic earnings per share, euro	5	0.01	0.00	0.17	0.15	0.56
Diluted earnings per share, euro	5	0.01	0.00	0.17	0.15	0.54

## CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

EUR thousand	Apr- Jun 2023	Apr- Jun 2022	Jan- Jun 2023	Jan- Jun 2022	Jan- Dec 2022
<b>Profit for the financial year</b>	<b>170</b>	<b>-7</b>	<b>3,117</b>	<b>2,650</b>	<b>10,075</b>
<b>Other comprehensive income</b>					
Items that may be subsequently reclassified to profit or loss					
Foreign currency translation difference	-2,546	-2,031	-3,556	-2,301	-4,289
<b>Total other comprehensive income for the financial year</b>	<b>-2,546</b>	<b>-2,031</b>	<b>-3,556</b>	<b>-2,301</b>	<b>-4,289</b>
<b>Total comprehensive income for the financial year</b>	<b>-2,376</b>	<b>-2,038</b>	<b>-439</b>	<b>349</b>	<b>5,786</b>
<b>Total comprehensive income attributable to</b>					
Owners of the parent company	-2,376	-2,032	-439	355	5,796
Non-controlling interests	-	-6	-	-5	-10

## CONSOLIDATED BALANCE SHEET

EUR thousand	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>ASSETS</b>				
<b>Non-current assets</b>				
Intangible assets		13,135	15,207	15,014
Goodwill		113,954	118,035	118,163
Tangible assets	7	4,236	4,649	4,463
Right-of-use assets	7	57,170	54,406	52,312
Deferred tax assets		614	865	579
Other non-current financial assets	8	69	-	73
Other non-current assets		42	345	42
<b>Total non-current assets</b>		<b>189,221</b>	<b>193,507</b>	<b>190,645</b>
<b>Current assets</b>				
Inventories		68,610	75,489	67,804
Current tax receivables		2,650	2,101	4,106
Other current financial asset		89	-	350
Trade and other receivables		33,295	30,877	32,752
Cash at bank and in hand		13,461	6,834	13,527
<b>Total current assets</b>		<b>118,105</b>	<b>115,300</b>	<b>118,538</b>
<b>Total assets</b>		<b>307,326</b>	<b>308,807</b>	<b>309,183</b>



EUR thousand	Note	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>EQUITY</b>				
Share capital		80	80	80
Reserve for invested unrestricted equity	5, 9	74,125	74,125	74,125
Translation differences		-9,463	-3,927	-5,907
Retained earnings	5	31,550	28,230	35,686
<b>Equity attributable to owners of the parent company</b>		<b>96,292</b>	<b>98,508</b>	<b>103,983</b>
<b>Non-controlling interests</b>		-	-	-
<b>Total equity</b>		<b>96,292</b>	<b>98,508</b>	<b>103,983</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Loans from financial institutions	8	90,345	101,337	95,695
Lease liabilities	8	45,829	44,291	41,611
Other non-current financial liabilities	8	1,607	-	1,009
Other non-current liabilities		131	290	71
Deferred tax liabilities		5,108	6,077	5,785
<b>Total non-current liabilities</b>		<b>143,020</b>	<b>151,995</b>	<b>144,171</b>
<b>Current liabilities</b>				
Loans from financial institutions	8	6,915	6,534	7,228
Lease liabilities	8	12,772	11,139	11,877
Other current financial liabilities	8	152	2,136	2,513
Current tax liabilities		2,867	3,239	4,114
Trade and other payables	8	45,307	35,256	35,296
<b>Total current liabilities</b>		<b>68,014</b>	<b>58,304</b>	<b>61,029</b>
<b>Total liabilities</b>		<b>211,034</b>	<b>210,299</b>	<b>205,199</b>
<b>Total equity and liabilities</b>		<b>307,326</b>	<b>308,807</b>	<b>309,183</b>

## CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Apr- Jun 2023	Apr- Jun 2022	Jan- Jun 2023	Jan- Jun 2022	Jan- Dec 2022
<b>Cash flows from operating activities</b>					
Profit for the financial year	170	-7	3,117	2,650	10,075
Adjustments:					
Depreciation, amortisation and impairment losses	4,624	4,016	9,091	7,913	16,933
Financial income and expenses	1,462	1,006	3,161	1,949	4,137
Unrealised foreign exchange gains and losses	1,358	900	1,787	1,149	2,316
Income tax expense	973	663	2,528	1,782	3,119
Other adjustments	209	-38	507	237	2,029
<b>Cash flows before change in net working capital</b>	<b>8,796</b>	<b>6,540</b>	<b>20,191</b>	<b>15,680</b>	<b>38,608</b>
<b>Change in net working capital:</b>					
Change in trade and other receivables (increase (-) / decrease (+))	1,948	2,206	-1,346	671	-1,147
Change in inventories (increase (-) / decrease (+))	-3,748	-2,191	-2,171	-3,095	5,123
Change in trade and other payables (increase (+) / decrease (-))	3,046	-923	6,773	-3,351	-4,106
<b>Cash flows before finance items</b>	<b>10,041</b>	<b>5,633</b>	<b>23,448</b>	<b>9,904</b>	<b>38,479</b>
Interest paid	-2,847	-1,446	-3,204	-1,819	-4,008
Interest received	25	22	61	41	165
Other financial items	321	-84	232	-133	-144
Dividends received	-	5	-	5	31
Income taxes paid	-859	-1,218	-2,855	-2,682	-5,742
<b>Net cash from operating activities (A)</b>	<b>6,682</b>	<b>2,911</b>	<b>17,681</b>	<b>5,315</b>	<b>28,780</b>
<b>Cash flows from investing activities</b>					
Acquisition of intangible and tangible assets	-607	-397	-980	-847	-1,720
Proceeds from sale of tangible and intangible assets	170	186	164	208	176
Acquisition of subsidiaries, net of cash acquired	-2,228	-6,853	-3,231	-8,919	-14,654
<b>Net cash used in investing activities (B)</b>	<b>-2,665</b>	<b>-7,065</b>	<b>-4,046</b>	<b>-9,558</b>	<b>-16,198</b>
<b>Cash flows from financing activities</b>					
Proceeds from current loans and borrowings	-	-	-	-	3,500
Repayment of current loans and borrowings	-24	-31	-26	-35	-3,515
Proceeds from non-current loans and borrowings	-	9,500	-	16,500	16,500
Repayment of non-current loans and borrowings	-3,544	-3,323	-3,544	-3,323	-7,020
Dividends paid	-3,626	-6,459	-3,626	-6,459	-6,459
Repayment of lease liabilities	-3,119	-2,529	-6,160	-5,080	-11,243
Acquisition of non-controlling interest	-	-2,523	-	-2,523	-2,487
Proceeds from shares subscriptions based on share options	-	207	-	207	207
<b>Net cash from financing activities (C)</b>	<b>-10,314</b>	<b>-5,159</b>	<b>-13,357</b>	<b>-713</b>	<b>-10,518</b>
<b>Net cash from (used in) operating, investing and financing activities (A+B+C)</b>	<b>-6,297</b>	<b>-9,313</b>	<b>278</b>	<b>-4,956</b>	<b>2,065</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>-6,297</b>	<b>-9,313</b>	<b>278</b>	<b>-4,956</b>	<b>2,065</b>
Cash and cash equivalents, at the beginning of the period	20,041	16,094	13,527	11,803	11,803
Effects of exchange rate fluctuations on cash held	-283	53	-344	-13	-342
<b>Cash and cash equivalents, at the end of the period</b>	<b>13,461</b>	<b>6,834</b>	<b>13,461</b>	<b>6,834</b>	<b>13,527</b>

## CHANGES IN THE GROUP'S EQUITY

Equity attributable to owners of the parent company							
EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
<b>Equity 1 Jan 2023</b>	<b>80</b>	<b>74,125</b>	<b>-5,907</b>	<b>35,685</b>	<b>103,983</b>	<b>-</b>	<b>103,983</b>
<b>Comprehensive income</b>							
Profit (loss) for the period	-	-	-	3,117	3,117	-	3,117
Change in translation differences	-	-	-3,556	-	-3,556	-	-3,556
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-3,556</b>	<b>3,117</b>	<b>-439</b>	<b>-</b>	<b>-439</b>
<b>Transactions with owners of the parent company</b>							
Dividend distribution	-	-	-	-7,253	-7,253	-	-7,253
<b>Total transactions with owners of the parent company</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-7,253</b>	<b>-7,253</b>	<b>-</b>	<b>-7,253</b>
<b>Equity 30 Jun 2023</b>	<b>80</b>	<b>74,125</b>	<b>-9,463</b>	<b>31,550</b>	<b>96,292</b>	<b>-</b>	<b>96,292</b>

Equity attributable to owners of the parent company							
EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
<b>Equity 1 Jan 2022</b>	<b>80</b>	<b>71,436</b>	<b>-1,632</b>	<b>34,232</b>	<b>104,117</b>	<b>337</b>	<b>104,454</b>
<b>Comprehensive income</b>							
Profit (loss) for the period	-	-	-	2,647	2,647	-	2,647
Change in translation differences	-	-	-2,295	-	-2,295	-5	-2,301
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-2,295</b>	<b>2,647</b>	<b>352</b>	<b>-5</b>	<b>347</b>
<b>Transactions with owners of the parent company</b>							
Shares issues related to business combinations	-	1,168	-	-	1,168	-	1,168
Share-based payments	-	1,314	-	-	1,314	-	1,314
Shares subscribed by using option rights	-	207	-	-	207	-	207
Acquisition of non-controlling interest	-	-	-	-2,192	-2,192	-332	-2,523
Dividend distribution	-	-	-	-6,459	-6,459	-	-6,459
<b>Total transactions with owners of the parent company</b>	<b>-</b>	<b>2,689</b>	<b>-</b>	<b>-8,650</b>	<b>-5,962</b>	<b>-332</b>	<b>-6,293</b>
<b>Equity 30 Jun 2022</b>	<b>80</b>	<b>74,125</b>	<b>-3,927</b>	<b>28,229</b>	<b>98,507</b>	<b>-</b>	<b>98,507</b>

Equity attributable to owners of the parent company							
EUR thousand	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total	Non-control-ling interests	Total equity
<b>Equity 1 Jan 2022</b>	<b>80</b>	<b>71,436</b>	<b>-1,632</b>	<b>34,232</b>	<b>104,117</b>	<b>337</b>	<b>104,454</b>
<b>Comprehensive income</b>							
Profit (loss) for the period	-	-		10,072	10,072	2	10,075
Change in translation differences	-	-	-4,276	-	-4,276	-12	-4,288
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>-4,276</b>	<b>10,072</b>	<b>5,796</b>	<b>-10</b>	<b>5,786</b>
<b>Transactions with owners of the parent company</b>							
Shares issues related to business combinations	-	1,168	-	-	1,168	-	1,168
Share-based payments	-	1,314	-	-	1,314	-	1,314
Shares subscribed by using option rights	-	207	-	-	207	-	207
Acquisition of non-controlling interest	-	-	-	-2,160	-2,160	-327	-2,487
Dividend distribution	-	-	-	-6,459	-6,459	-	-6,459
<b>Total transactions with owners of the parent company</b>	<b>-</b>	<b>2,689</b>	<b>-</b>	<b>-8,619</b>	<b>-5,930</b>	<b>-327</b>	<b>-6,257</b>
<b>Equity 31 Dec 2022</b>	<b>80</b>	<b>74,125</b>	<b>-5,907</b>	<b>35,685</b>	<b>103,983</b>	<b>-</b>	<b>103,983</b>

## NOTES

1. Basis of accounting
2. Seasonality
3. Disaggregation of net sales
4. Financial income and expenses, effect of exchange rates
5. Earnings per share, dividend payment and share-based payments
6. Segment information
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### 1. Basis of accounting

This half-year financial report has been prepared in accordance with the IAS 34 standard for interim financial reporting and using the same principles as for the annual financial statement. The report has not been audited. The company's financial statements for 2022 have been audited.

All figures in the summarised financial statement have been rounded to the nearest figure, therefore the sum of reported figures may not exactly match those presented.

As of September 1, 2022, Relais has changed the basis of internal reporting for the reporting segments and reports them to the chief operating decision maker based on international financial reporting standards (IFRS). Previously, the basis of preparation was in accordance with the Finnish accounting and financial statement regulations (FAS). The segment information according to the new accounting basis is presented in note 6.

### 2. 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.

### 3. Disaggregation of net sales

Consolidated net sales were disaggregated by product line and geographical market in the tables below. Markets are based on the geographic location of customers.

EUR thousand	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Equipment	9,775	8,050	19,174	16,336	33,141
Lighting	9,865	9,231	24,676	23,127	62,053
Spare parts	20,898	20,740	40,160	40,405	78,925
Repair and maintenance	22,774	20,532	47,447	40,812	85,565
Other	789	47	1,594	38	998
<b>Total</b>	<b>64,101</b>	<b>58,599</b>	<b>133,051</b>	<b>120,718</b>	<b>260,683</b>



EUR thousand	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Finland	28,123	25,211	56,690	53,137	116,972
Sweden	27,461	27,433	57,230	54,013	108,433
Estonia	1,240	1,063	2,494	2,327	5,158
Norway	1,096	1,002	2,612	2,410	6,343
Other countries	6,181	3,890	14,026	8,832	23,778
<b>Total</b>	<b>64,101</b>	<b>58,599</b>	<b>133,051</b>	<b>120,718</b>	<b>260,683</b>

#### 4. Finance income and expenses, effect of exchange rates

Financial income and expenses are detailed in the table below.

EUR thousand	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
<b>Financial income</b>					
Foreign exchange gains	2,293	1,828	3,066	2,324	4,200
Interest income	25	22	61	41	165
Other financial income	0	5	0	5	32
Changes in fair values	0	264	-	264	261
<b>Financial income total</b>	<b>2,318</b>	<b>2,119</b>	<b>3,127</b>	<b>2,633</b>	<b>4,658</b>
<b>Financial expenses</b>					
Foreign exchange losses	-3,384	-2,989	-4,568	-3,727	-6,659
Interest expenses	-1,669	-1,080	-3,346	-1,993	-4,259
Other financial expenses	-81	54	-154	-2	-194
Other financial expenses	-4	-	-4	-	-
<b>Financial expenses total</b>	<b>-5,137</b>	<b>-4,016</b>	<b>-8,072</b>	<b>-5,723</b>	<b>-11,113</b>
<b>Net financial expenses</b>	<b>-2,818</b>	<b>-1,897</b>	<b>-4,945</b>	<b>-3,090</b>	<b>-6,454</b>

The increase in net financial expenses in the reporting period is due to unrealized exchange rate gains and losses of unhedged foreign currency loans. The increase in reference interest rates on loans from financial institutions increased interest expenses for April-June 2023 by approximately EUR 0.6 million and for January-June 2023 by approximately EUR 1.3 million compared to the review periods.

The strengthening of the USD against the euro increased the costs of the materials and services item in the group's income statement by approximately EUR 0.1 million in the review period. The development of the EUR/SEK exchange rate during the review period had a negative impact on the Group's EBITA. At comparable exchange rates, EBITA during the review period would have been approximately EUR 0.7 million higher than reported.

#### 5. Earnings per share, dividend payment and share-based payments

EUR	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Earnings per share, basic	0.01	0.00	0.17	0.15	0.56
Earnings per share, diluted	0.01	0.00	0.17	0.15	0.54
Comparable earnings per share, basic	0.01	0.02	0.18	0.20	0.72

Comparable earnings per share excluding amortisation of acquisitions, basic	0.06	0.07	0.27	0.28	0.90
Comparable earnings per share, diluted	0.01	0.02	0.17	0.20	0.69
Comparable earnings per share excluding amortisation of acquisitions, diluted	0.05	0.07	0.26	0.27	0.87

	Apr-Jun 2023	Apr-Jun 2022	Jan-Jun 2023	Jan-Jun 2022	Jan-Dec 2022
Number of outstanding shares at the end of the period *)	18 132 258	18 132 308	18 132 258	18 132 308	18 132 308
Weighted average number of shares, basic *)	18 132 258	17 997 644	18 132 258	17 969 669	18 051 682
Weighted average number of shares, diluted *)	18 811 560	18 738 260	18 799 196	18 725 984	18 759 556

The AGM decided that a dividend of EUR 0.40 per share to be paid on the basis of the adopted balance sheet for the financial year 2022. The dividend will be paid in two instalments. The first instalment of the dividend, EUR 0.20 per share, was paid to shareholders who, on the record date for dividend distribution of 11 April 2023, were registered in the shareholders' register of the company, maintained by Euroclear Finland Ltd. The first instalment of the dividend was paid on 18 April 2023.

The second instalment of the dividend, EUR 0.20 per share, will be paid to shareholders who, on the record date of 2 November 2023 of the second dividend instalment, are registered in the shareholders' register of the company, maintained by Euroclear Finland Ltd. The second instalment of the dividend will be paid on 9 November 2023.

A total of EUR 7.3 million in dividends will be paid out.

## 6. Segment information

EUR thousand	Finland&Baltics	Scandi- navia	Other	Eliminations	Total
<b>Jan-Jun 2023</b>					
External revenue	61,123	71,928	-	-	133,051
Internal revenue	1,987	472	175	-2,633	-
Material and services	-34,723	-39,218	-	2,250	-71,691
<b>Gross profit</b>	<b>28,386</b>	<b>33,182</b>	<b>175</b>	<b>-383</b>	<b>61,360</b>
Depreciation, amortisation and impairment	-4,385	-2,946	-22	-1,738	-9,091
Other income and expenses	-19,595	-20,748	-1,422	86	-41,679
<b>Operating profit</b>	<b>4,406</b>	<b>9,488</b>	<b>-1,269</b>	<b>-2,034</b>	<b>10,591</b>
Financial items	-40	-1,744	-3,156	-4	-4,945
<b>Profit before income taxes</b>	<b>4,365</b>	<b>7,745</b>	<b>-4,426</b>	<b>-2,039</b>	<b>5,645</b>

EUR thousand	Finland&Baltics	Scandi- navia	Other	Eliminations	Total
<b>Jan-Jun 2022</b>					
External revenue	57,149	63,573	-	-4	120,718
Internal revenue	3,166	317	150	-3,634	-
Material and services	-34,416	-34,979	0	3,444	-65,951
<b>Gross profit</b>	<b>25,900</b>	<b>28,911</b>	<b>150</b>	<b>-194</b>	<b>54,767</b>

Depreciation, amortisation and impairment	-4,052	-2,245	-24	-1,592	-7,913
Other income and expenses	-17,885	-19,046	-1,760	-641	-39,333
<b>Operating profit</b>	<b>3,963</b>	<b>7,620</b>	<b>-1,634</b>	<b>-2,427</b>	<b>7,522</b>
Financial items	-393	-1,117	-1,572	-7	-3,090
<b>Profit before income taxes</b>	<b>3,569</b>	<b>6,503</b>	<b>-3,206</b>	<b>-2,434</b>	<b>4,432</b>

EUR thousand	Finland&Baltics	Scandi- navia	Other	Eliminations	Total
<b>Jan-Dec 2022</b>					
External revenue	125,048	135,635	-	-	260,683
Internal revenue	8,378	852	330	-9,561	-
Material and services	-78,061	-74,245	-0	8,837	-143,469
<b>Gross profit</b>	<b>55,365</b>	<b>62,242</b>	<b>330</b>	<b>-724</b>	<b>117,214</b>
Depreciation, amortisation and impairment	-8,244	-5,307	-49	-3,332	-16,933
Other income and expenses	-36,741	-38,624	-3,775	-1,493	-80,633
<b>Operating profit</b>	<b>10,380</b>	<b>18,311</b>	<b>-3,494</b>	<b>-5,548</b>	<b>19,648</b>
Financial items	-764	-2,682	-3,001	-7	-6,454
<b>Profit before income taxes</b>	<b>9,616</b>	<b>15,629</b>	<b>-6,495</b>	<b>-5,555</b>	<b>13,194</b>

Other- item includes management and administrative services provided by the parent company to the group.

Eliminations- column includes internal eliminations as well as postings and amortisations related to acquisitions.

Relais segment information for 2021 has been restated to reflect the change in the basis of preparation. Until year-end 2021 segment information for management reporting was prepared in accordance with Finnish accounting standards (FAS). Starting 1st of September 2022 segment information preparation for management reporting is based on International Financial Reporting Standards (IFRS). Restatement had no impact on the Group's total figures.

## 7. Changes to tangible and right-of-use assets

### CHANGES TO TANGIBLE ASSETS

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Cost at the beginning of period</b>	<b>16,647</b>	<b>15,055</b>	<b>15,055</b>
Additions	826	605	1,223
Business combinations	39	1,030	1,174
Exchange differences	-483	-349	-622
Disposals	-341	-91	-301
Reclassifications	-2	0	118
<b>Cost at the end of period</b>	<b>16,687</b>	<b>16,250</b>	<b>16,647</b>
<b>Accumulated depreciation and impairment at the beginning of the period</b>	<b>-12,184</b>	<b>-10,159</b>	<b>-10,159</b>
Business combinations	0	-960	-1,088
Disposals	173	58	274
Reclassifications	2	0	-118

Depreciation	-792	-795	-1,545
Exchange differences	351	254	451
<b>Accumulated depreciation and impairment at the end of the period</b>	<b>-12,450</b>	<b>-11,601</b>	<b>-12,184</b>
<b>Book value at the beginning of the period</b>	<b>4,463</b>	<b>4,897</b>	<b>4,897</b>
<b>Book value at the end of the period</b>	<b>4,236</b>	<b>4,649</b>	<b>4,463</b>

#### CHANGES TO RIGHT-OF-USE ASSETS

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Cost at the beginning of period</b>	<b>73,747</b>	<b>65,818</b>	<b>65,818</b>
Additions	2,081	781	2,376
Business combinations *	370	2,916	2,587
Exchange differences	-1,784	-990	-1,871
Disposals	-178	-2,456	-3,075
Revaluations	10,126	3,969	7,913
<b>Cost at the end of period</b>	<b>84,362</b>	<b>70,038</b>	<b>73,747</b>
<b>Accumulated depreciation and impairment at the beginning of the period</b>	<b>-21,436</b>	<b>-11,675</b>	<b>-11,675</b>
Disposals	107	1,218	1,508
Depreciation	-6,371	-5,335	-11,664
Exchange differences	508	160	395
<b>Accumulated depreciation and impairment at the end of the period</b>	<b>-27,192</b>	<b>-15,632</b>	<b>-21,436</b>
<b>Book value at the beginning of the period</b>	<b>52,312</b>	<b>54,143</b>	<b>54,143</b>
<b>Book value at the end of the period</b>	<b>57,170</b>	<b>54,406</b>	<b>52,312</b>

\* The acquisition cost of the right-of-use asset acquired through business combination in May 2022 has been corrected in December 2022 explaining the decrease in additions through business combinations from 30 June 2022 to 31 December 2022.

The most significant additions, including additions through business combinations, in the review period and comparison period are related to premises.

Revaluations in rents include additions to right-of-use assets and lease liabilities due to rent increases and due to changes in lease terms in lease agreements for existing premises.

## 8. Financing arrangements

### Changes in financing arrangements

The Senior Facilities Agreement between the Company and its main bank has initially been entered into in May 2022, after with it has been restated and extended four times during 2020-2023.

Relais Group Plc agreed on 24.2.2023 with its principal bank on amendments to its senior financing agreement originally concluded in 2019 and previously amended in May 2022. The maturity of the financing agreement was extended by one year until the end of May 2025.

According to the amended financing agreement the maximum financial exposure is EUR 126.9 million consisting of a maximum of EUR 104.4 million in acquisition financing, EUR 15.5 million in uncommitted senior facilities agreement and an RCF limit of EUR 7.0 million. According to the previous, in May 2022 amended financing agreement, the maximum financial exposure was EUR 133.7 million consisting of a maximum of EUR 111.2 million in acquisition financing, EUR 15.5 million in uncommitted senior facilities agreement and an RCF limit of EUR 7.0 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 5.6 million. At the end of 2022, the undrawn portion of the uncommitted senior facilities was EUR 15.5 million and of RCF limit EUR 4.8 million.

The company had recognised a contingent consideration of EUR 2.2 million in connection with the acquisition of Strands Group AB, which was reported under contingent consideration in the financial statements and paid in the reporting period.

### Breakdown of financial liabilities

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>At amortised cost</b>			
<b>Non-current</b>			
Borrowings from financial institutions	90,345	101,337	95,695
Lease liabilities	45,829	44,291	41,611
Loans from others	1,607	0	1,009
	<b>137,781</b>	<b>145,628</b>	<b>138,315</b>
<b>Current</b>			
Borrowings from financial institutions	6,915	6,534	7,228
Lease liabilities	12,772	11,139	11,877
Trade payables	19,283	14,195	15,125
Other financial liabilities	152	11	265
	<b>39,123</b>	<b>31,879</b>	<b>34,495</b>
<b>Total financial liabilities at amortised cost</b>	<b>176,904</b>	<b>177,507</b>	<b>172,810</b>
<b>At fair value through profit or loss</b>			
<b>Current</b>			
Contingent considerations	-	2,125	2,248
<b>Total financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>2,125</b>	<b>2,248</b>
<b>Total financial liabilities</b>	<b>176,904</b>	<b>179,632</b>	<b>175,058</b>

### Accounting classification and fair values

The following tables show the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. The table excludes fair value information for financial assets



and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

EUR thousand	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
30 June 2023					
<u>Financial assets measured at fair value</u>					
Interest rate swaps (not hedge accounted)	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<u>Financial liabilities measured at fair value</u>					
Interest rate swaps (not hedge accounted)	-	-	-	-	-
Contingent considerations	-	-	-	-	-
<b>Total</b>	-	-	-	-	-
<u>Financial liabilities not measured at fair value</u>					
Current borrowings from financial institutions	6,915	-	-	6,915	6,915
Non-current borrowings from financial institutions	90,345	-	-	90,345	90,345
<b>Total</b>	<b>97,260</b>	-	-	<b>97,260</b>	<b>97,260</b>

EUR thousand	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
30 June 2022					
Financial assets measured at fair value					
Interest rate swaps (not hedge accounted)	264	-	264	-	264
Total	264	-	264	-	264
Financial liabilities measured at fair value					
Interest rate swaps (not hedge accounted)	-	-	-	-	-
Contingent considerations	2 125	-	-	2,125	2,125
Total	-	-	-	2,125	2,125
Financial liabilities not measured at fair value					
Current borrowings from financial institutions	6,534	-	-	6,534	6,534
Non-current borrowings from financial institutions	101,337	-	-	101,337	101,337
Total	107,871	-	-	107,871	107,871

EUR thousand	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
31 December 2022					
Financial assets measured at fair value					
Interest rate swaps (not hedge accounted)	261	-	261	-	261
Total	261	-	261	-	261

<u>Financial liabilities measured at fair value</u>				
Interest rate swaps (not hedge accounted)	-	-	-	-
Contingent considerations	2,248	-	2,248	2,248
<b>Total</b>	-	-	<b>2,248</b>	<b>2,248</b>
<u>Financial liabilities not measured at fair value</u>				
Current borrowings from financial institutions	7,228	-	7,228	7,228
Non-current borrowings from financial institutions	95,695	-	95,695	95,695
Other non-current financial liabilities	1,009	-	1,009	1,009
<b>Total</b>	<b>103,932</b>	-	<b>103,932</b>	<b>103,932</b>

## Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are categorised into hierarchy levels that are representative of the inputs used in the valuation techniques as follows:

Level 1	Level 2	Level 3
Fair value is calculated on the basis of quoted prices (unadjusted) in active markets for identical assets or liabilities that Relais can access at the measurement date.	Fair value is calculated on the basis of inputs other than quoted prices included in Level 1 that are observable for the asset or liability; either directly (i.e., as prices) or indirectly (i.e., derived from prices).	Fair value is calculated on the basis of inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The group has determined the fair value of the contingent consideration according to the terms of the agreement by discounting probability-weighted cash flows at the time of reporting. Determining fair value involves management judgment. The contingent consideration reported in the financial statements has been paid in full during the reporting period.

The group has estimated that the fair value of its bank loans corresponds to their book value, because the loans have variable interest rates and according to the management's assessment, the interest rate on the loans is close to the market rate on the reporting date. The increase in interest rates does not have a significant effect on the fair value of loans, but they directly increase interest expenses.

## Collaterals and other obligations

EUR thousand	30 Jun 2023	30 Jun 2022	31 Dec 2022
<b>Loans from financial institutions</b>			
Financing loans	97,260	107,988	102,975
Overdraft limit *	1,355	2,144	2,144
Amount of overdraft limit granted *	7,000	7,000	7,000
Available limit	5,645	4,856	4,856
Book value of pledged subsidiary shares	105,222	105,222	105,222
Mortgage on company assets	108,093	108,227	108,079
<b>Collateral for financial institution loans, total</b>	<b>213,315</b>	<b>213,449</b>	<b>213,301</b>
<b>Guarantees given on behalf of the companies belonging to the same group</b>			
General guarantee	7,110	4,274	3,145

Other	856	814	791
<b>Total</b>	<b>7,966</b>	<b>5,087</b>	<b>3,936</b>
<b>Other liabilities</b>			
Rental securities	1,076	1,865	1,865
Other guarantees	461	349	346
<b>Total</b>	<b>1,537</b>	<b>2,214</b>	<b>2,211</b>

\*In the latest financial statements, the amount of the overdraft limit drawn on 31.12.2022 was incorrectly reported as zero euros and the amount of the overdraft limit granted as 4,856 thousand euros.

## 9. Business combinations

On 29 March 2023, Relais acquired all the shares in Adita Oy. Adita is a local distributor of spare parts and equipment for cars and marine use in the Helsinki region. In 2022 its net sales were EUR 5.6 million and number of employees was 14.

Adita has been consolidated into the Relais Group consolidated accounts starting 1 March 2023.

Summary of the acquisition including the table showing the considerations transferred and the recognised amounts of assets acquired, and liabilities assumed at the date of acquisitions are presented below. Goodwill is mainly generated from skilled personnel and a strong market position.

EUR thousand	Adita Oy
Acquisition date	29-Mar
Share acquired	100%
Domicile	Finland
Consolidated from	01-Mar
Revenue from consolidation date until 31 March 2023	521
Profit/loss from consolidation date until 31 March 2023	29
Goodwill deductible for tax purposes	No
<u>Consideration transferred</u>	
Cash	1,335
Financial liabilities	63
Non-competing agreement	-79
<b>Total consideration transferred</b>	<b>1,319</b>
<u>Identified assets acquired and liabilities assumed</u>	
Customer-related intangibles	216
Machinery and equipment	39
Right-of-use assets	370
Inventories	899
Trade and other receivables	291
Cash and cash equivalents	336
Non-current liabilities	-550
Deferred tax liabilities	-66
Lease liabilities	-370
Trade and other payables	-546

<b>Total identifiable net assets acquired</b>	<b>619</b>
<b>Goodwill</b>	<b>700</b>
Acquisition-related costs incurred	86
Cash consideration	-1,335
Less: cash acquired	336
<b>Net outflow of cash - investing activities</b>	<b>-999</b>

Had the acquisitions occurred on 1 January 2023, management estimates that the consolidated revenue would have amounted to EUR 133,986 thousand, and consolidated profit for the year would have been EUR 2,721 thousand in the period ended 30 June 2023. None of the goodwill recognised is deductible for tax purposes. Relais expects the gross contractual amount for the acquired trade receivables to equal their fair value.

#### 10. Events after the review period

On 1 August the Company announced it had signed an agreement regarding the acquisition of the Norwegian workshop equipment business unit of NDS Group AS, comprising the assets and personnel of the AutoMateriell business and the shares in Nordic Lift AS.

In 2022 the total revenue of the acquired business unit was approximately NOK 198 million and the operating profit approximately NOK 13 million. The enterprise value of the acquired business unit was approximately NOK 70 million and the provisional purchase price approximately NOK 58 million.

The acquired business unit will be consolidated into Relais Group from the beginning of August 2023.