

VEHO



VEHO OY AB
Annual Review 2020



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Veho Group in brief

Today's car is a high-tech product. In the development of our services and our entire operations, our goals are also high. In the future, we want to offer more and more sustainable mobility solutions with superior customer experience at the heart of them.

Veho is a Finnish, family-owned company that was founded as the importer for Mercedes-Benz in 1939, and the company continues to focus on this brand. We offer our customers versatile mobility services and transport solutions from cars to heavy commercial vehicles.

Veho, operating in Finland, Sweden, Estonia, and Lithuania, retails Mercedes-Benz passenger cars, commercial vehicles and special vehicles. In addition, in recent years, we have increased the provision of mobility services in particular. We always want to go beyond the needs and expectations of our customers, both with cars and commercial vehicles.



The Group's business operations

Veho's business areas are Finland, Sweden, Estonia, and Lithuania.

In Finland, we import, retail and service Daimler AG's world-renowned car brands, Mercedes-Benz, and Smart cars, as well as Mercedes-Benz, Fuso Canter, Setra and Unimog commercial vehicles.

The Veho dealerships, which sell passenger cars and vans, serve our customers in Helsinki metropolitan area, Tampere and Raisio. In addition, our network of independent dealerships covers other locations nationwide. Truck and bus dealerships also have a nationwide organisation. In addition, our chain of Vaihtoplus trade-in-sales of second-hand cars covers a number of different brands and serves our customers in Vantaa, Oulu, Turku and Tampere.

Our mobility services include **Veho GO** services, **Sixt** car hire and the **Whim** mobility service, owned by MaaS Global's shareholder Veho. Commercial vehicle mobility services are available through the **CharterWay** car hire service.

In Sweden, **Veho Bil** acts as the sales and service representative for Mercedes-Benz cars in Stockholm, Karlstad and Örebro, as well as a dealer and service representative for Mercedes-Benz commercial vehicles in addition to the above-mentioned cities in Västerås and Gävle.

In the Baltic countries we import, retail and maintain Mercedes-Benz cars and commercial vehicles in Estonia and Lithuania. In Estonia we operate in Tallinn, Tartu and in other cities across the country. In Lithuania we serve our customers in Vilnius, Kaunas and Klaipeda. Our business is conducted under the name Silberauto.

Of the independent subsidiaries belonging to the Veho Group, **Assistor-Uuttera Oy** specialises in vehicle logistics and **Assistor Oy Ab** in spare parts logistics for cars.



The exceptional year gave a boost to electrification – customer experience remained at the centre of focus

Due to the coronavirus pandemic, the financial year 2020 was exceptionally challenging. In January, we heard the first news of a new virus in China. In March, everything changed. Lockdown became part of the everyday global vocabulary, and face masks and safe distancing became part of our everyday lives.

The pandemic brought uncertainty to the automotive industry and challenges to logistics chains, and even led to temporary production interruptions in individual automotive plants. Our service network also saw temporary site closures. However, during the pandemic, private motoring has proved to be one of the best ways to travel in terms of health safety, which has also been reflected in consumer behaviour.

At Veho, we reacted quickly to the pandemic situation and adjusted our business to a crisis-like market. Our staff quickly adopted new ways of working from distance selling to developing different kinds of new electronic solutions and our office staff quickly adopted remote working tasks. We focused on the safety of our employees and customers and were able to guarantee quality services despite the changing circumstances.

Cross-border cooperation with colleagues, partners, and clients was intense. In autumn 2020, the situation eased, but again tightened towards the end of the year.



Breakthrough of electric vehicles

2020 will go down in the history of Veho – and the automotive industry as a whole – as a year in which demand for electric and hybrid cars, in particular for rechargeable hybrids, grew enormously. Due to the diverse range of electric and hybrid vehicles provided by the Daimler Group, Veho was able to increase its sales despite the challenging market situation.

Winds of change

In March 2020, our Group's head office moved to HOTT building (House of Travel and Transportation), close to Helsinki-Vantaa Airport. During the design stage of our modern and versatile office, the needs and wishes of our employees were widely listened to. The location is logistically ideal. The increase in the popularity of electric cars is also reflected in the charging points built in conjunction with HOTT.



Investments and international growth

In July 2020, the Board of Directors of the Veho Group decided on the largest construction investment in our company's history, the construction of a new commercial vehicle centre in Finland. The new centre in Vehkala, Vantaa, is expected to open by the end of 2021 and will house operations from Lommila in Espoo and from Ylästö in Vantaa.

In summer 2020, Veho BIL opened a new heavy trucks center in Gävle, Sweden. The construction work also progressed as planned in the new heavy trucks center in Malmö, and in Bromma, where we will move our existing workshop and the sale of new and used Mercedes-Benz cars. It is intend-

ed for these facilities to be inaugurated in 2021. In December 2019, Veho acquired the business of Silberauto, a Mercedes-Benz representative in Estonia and Lithuania. Since the deal was completed, there have been many changes in Silberauto. The changes introduced are likely to produce positive results, such as the rise of Mercedes-Benz to the number one premium market in Estonia and the positive sales development in Lithuania.

In January 2020, Veho sold the Baltic Citroën import and the Citroën and Honda retail business in Estonia.

The industry's best customer experience

The focus of all our work is to exceed the expectations of current and future Mercedes-Benz customers and to deliver an excellent customer experience. A great deal of work has been done to achieve these objectives and the results are beginning to show. We got especially good results in Finland. A survey conducted by the Auto Bild Finland magazine in September 2020 showed that Veho stores had the best customer experience in the automotive trade sector in Finland.

In Finland during last year, we also further developed our Veho GO service, which offers solutions tailored to the personal needs of our customers. Despite the challenging market situation for car hire, the SIXT business operations were further developed as planned.

In April 2020, we sold our workshop in Muurala, Espoo, and after that, the Helsinki bodywork repairs were concentrated in the Suutarila area.



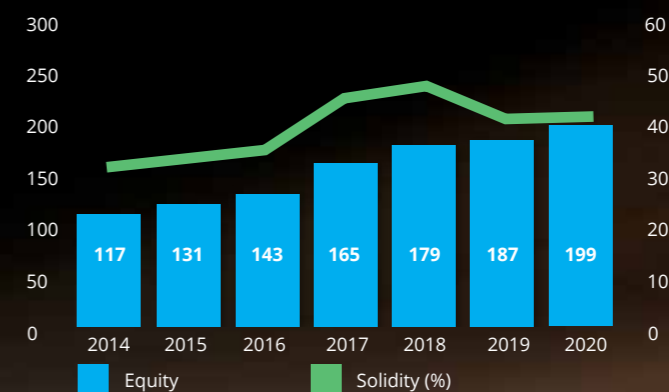
Positive results in a changing environment

Despite the exceptional year, our net sales increased to MEUR 1,112 (MEUR 1,097). Comparable operating profit margin was slightly higher

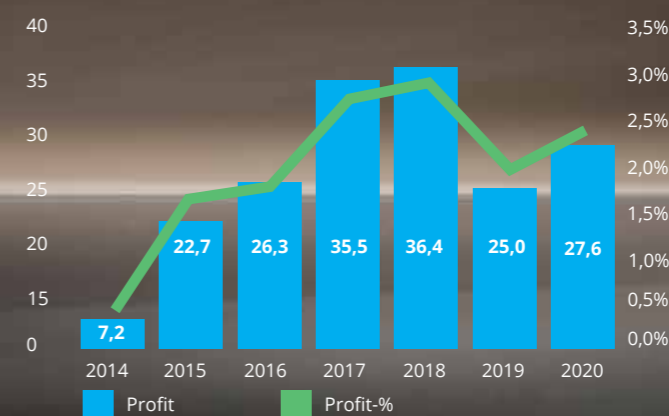
than in the previous year and operating profit was MEUR 27.6 million (MEUR 25.0).



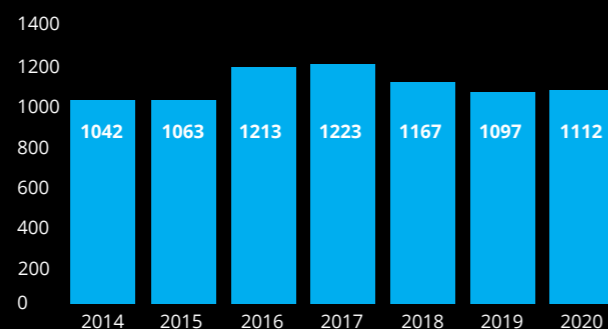
SOLIDITY EQUITY (MILLION € / SOLIDITY %)



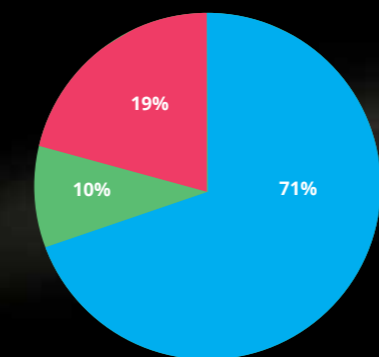
OPERATING PROFIT (MILLION € / %)



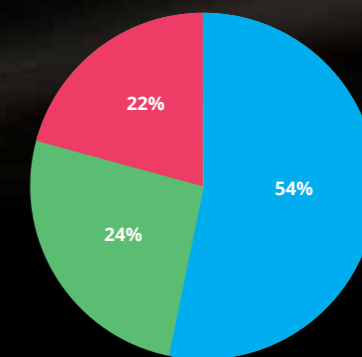
TURNOVER (M€)



TURNOVER BY MARKET AREA



TURNOVER BY BUSINESS AREA



Finland Sweden Estonia and Lithuania Passenger cars Vans Trucks

Actions for more sustainable mobility

During the year we continued to develop Veho's green footprint and responsibility tasks. Our mindset for sustainable mobility can be seen both in our strategic development projects, everyday choices, and in our internal culture.

For a long time in our various projects to reduce the environmental impact of road transport, we are constantly striving to reduce our own carbon footprint. The largest range of rechargeable hybrids in the market, electric car charging plugs in different locations, the popularity of geothermal energy in our new sites, and new energy solutions such as solar panels in our properties, are visible signs of our work for more sustainable mobility.



Our international growth emphasised the importance of corporate culture, and the group-wide responsibility program is designed to make our operations even more sustainable and coherent. An important part of our responsibility program is the improvement of the wellbeing of our personnel.



The wellbeing of our staff is of vital importance for us. A healthy and well-motivated staff is needed for delivering outstanding customer experience and growth. In Sweden we did particularly well and received the Great Place to Work certificate. That is the aim in all Veho-countries.

Our customers also demand more responsibility. At Veho, we want to respond to these requirements and be a leader in the entire sector. We are creating future developments and looking for new ways to be mobile. During 2020, we were able to introduce new mobility services that reduce carbon footprint and make environmentally friendly choices even easier.

2021: Growth expectations in all markets

The global economy is still full of the uncertainty created by the coronavirus pandemic, which is reflected, among other things, in the shortage of automotive components. However, in most markets, the economy is expected to recover. Veho's expectations for the coming year are also positive.

2021 will strengthen our group's commercial vehicle business when a new commercial vehicle centre in Vantaa will be opened in Finland. A new heavy goods vehicle centre for commercial vehicles will also be opened in Malmö, Sweden. The demand for rechargeable hybrid and electric cars is growing significantly.

Without our competent staff, we would not have been able to cope with these challenging times and I would like to express to all Veho coworkers special thanks for the excellent work and attitude that has helped us through this exceptional time.


Juha Ruotsalainen
Managing Director





VEHO

VEHO OY AB

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