

INTERIM REPORT

January–March 2021



Kamux Corporation

Interim Report

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Kamux Corporation's Interim Report for January 1 – March 31, 2021

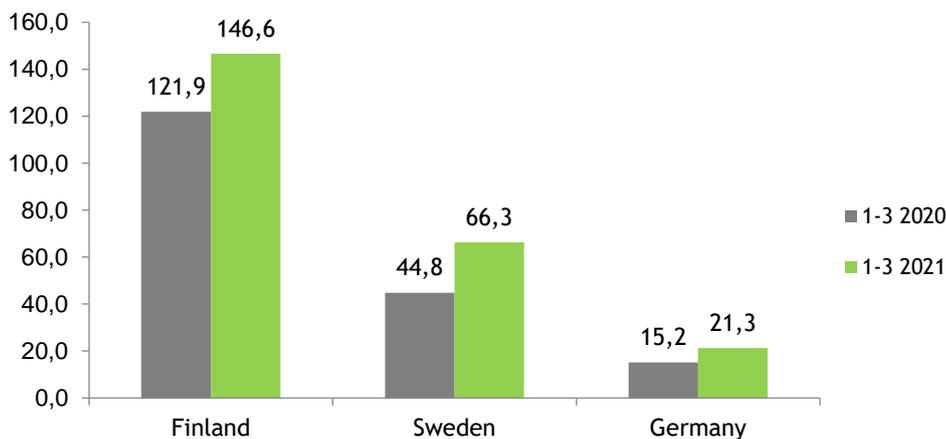
Kamux Saw Very Strong and Very Profitable Growth – Revenue Growth +25.4% and Adjusted Operating Profit +44.0%

The figures in parentheses refer to the comparison period, i.e. the same period in the previous year, unless stated otherwise.

January–March in brief

- Revenue increased by 25.4%, totaling EUR 209.9 million (167.4)
- Gross profit increased by 26.9% to EUR 23.2 million (18.3), or 11.0% (10.9) of revenue
- Adjusted operating profit (EBIT) increased by 44.0% to EUR 5.7 million (4.0), or 2.7% (2.4) of revenue
- Operating profit (EBIT) increased by 44.0% to EUR 5.7 million (4.0), or 2.7% (2.4) of revenue
- The number of cars sold increased by 14.2% to 16,242 cars (14,227)
- Like-for-like showroom revenue growth was 12.8% (1.0)
- Earnings per share were EUR 0.09 (0.06)

Revenue of business segments in January–March, EUR million



Key figures

EUR million	1–3/2021	1–3/2020	Change, %	1–12/2020
Revenue	209.9	167.4	25.4%	724.1
Gross profit	23.2	18.3	26.9%	91.5
as percentage of revenue, %	11.0%	10.9%		12.6%
Operating profit (EBIT)	5.7	4.0	44.0%	31.2
as percentage of revenue, %	2.7%	2.4%		4.3%
Adjusted operating profit*	5.7	4.0	44.0%	30.7
as percentage of revenue, %	2.7%	2.4%		4.2%
Revenue from integrated services	9.4	8.9	5.3%	37.1
as percentage of revenue, %	4.5%	5.3%		5.1%
Number of cars sold	16,242	14,227	14.2%	60,657
Gross profit per sold car, EUR	1,427	1,284	11.1%	1,509
Sales growth of like-for-like showrooms, %	12.8%	1.0%		-3.8%
Net debt	75.5	45.4	66.3%	53.5
Inventories	122.4	77.6	57.6%	93.6
Inventory turnover, days	54.3	44.8	21.2%	47.2
Capital expenditures	1.2	1.1	8.2%	4.9
Average number of employees during the period	795	661	20.3%	713
Return on equity (ROE), %	26.5%	23.6%		26.3%
Return on investment (ROI), %	16.5%	13.2%		16.9%
Equity ratio, %	45.4%	44.9%		50.1%
Earnings per share, basic, EUR	0.09	0.06	36.5%	0.58

* Operating profit adjusted for special items related to strategy planning and taxes from previous financial years. There were no special items for 1–3/2021 (1–3/2020: EUR 0.0 million and 1–12/2020: EUR -0.5 million).

CEO Juha Kalliokoski:

“We saw very strong and very profitable growth in the first quarter. Kamux’s revenue increased by 25.4% and adjusted operating profit by 44.0%. We have worked decisively to implement our strategy, which focuses on accelerating growth and developing scalability.

We are still living in the midst of the corona pandemic, but the measures taken by the governments in Finland and Sweden did not have a considerable adverse effect on our business. In Germany, on the other hand, the entire first quarter was a very exceptional time due to the lock-down of society and the related measures taken. The unusual situation was also reflected on used car retail and Kamux’s profitability in Germany. In all countries, we were flexible in making swift substitute employee arrangements to ensure the health of both our personnel as well as our customers.

During the first quarter, we invested in car purchasing for the spring and summer seasons to ensure sufficient inventory levels, as we are aiming at strong growth in all operating countries.

We implemented our strategy in the first quarter by developing a the Kamux Huoleton (“Carefree”), a service based on monthly-fee driving. The Gothenburg showroom, opened in May, is a good example of a larger showroom in line with our strategy. The showroom and car processing center to be established in Oulu, which was announced in May, is a strategic property investment that enables long-term development of operations in accordance with our strategic focus areas.”

Implementing strategy

The market offers an attractive opportunity for expansion and growth. Strong revenue growth defines Kamux’s strategy, which aims for nearly doubling our revenue during 2021–2023. Profitability development during the strategy period is built on business growth and scalability.

The company’s strategic focus areas are:

- Omnichannel customer experience and services
- Efficient processes and scalability
- Utilizing data and leading with knowledge
- Developing capabilities and continuous learning

Developing new services is part of the strategy. Kamux Huoleton, a monthly-fee driving service for carefree driving, was developed during the first quarter. The customer pilot of the service commenced in April at the Helsinki Konala showroom.

Larger showrooms serve both the efficiency of processes as well as building scalability, both strategic focus areas of the company. The Gothenburg mega store was opened at the beginning of May. The Gothenburg showroom also includes a Kamux Green shop-in-shop, with a centralized selection of cars running on alternative power sources. Other Kamux Green shops are located in the Espoo Niittykumpu, Helsinki Konala and Lempäälä Ideapark showrooms.

In May, Kamux announced that it will build a showroom and car processing center in Oulu. Kamux has typically operated in leased premises, but in the future, the company may own premises when the investment is in line with the company’s strategic targets, growth ambitions and the long-term development of operations in accordance with the company’s focus areas. The processing center enables more efficient and thorough handling of cars than before, including, for instance, inspections, repairs, listing cars for sale and logistics. Industrializing processes to a higher degree provide customers with an attractive selection and extensive and high-quality information on cars, which builds transparency and trust.

Personnel training and competence development during the first quarter focused on management and leadership skills.

Outlook for the year 2021

In 2021, Kamux expects its revenue to reach EUR 800–850 million and adjusted operating profit to increase from the previous year.

Financial targets for 2021–2023

The company's medium-term financial targets are to increase revenue by over 20% annually, to increase adjusted operating profit annually, and to reach an adjusted operating profit margin of over 3.5% and a return on equity (ROE) of over 25%. Additionally, the company's target is to distribute dividends of at least 25% of net profits. The Board of Directors of the Company estimates annually the balance between dividends to be distributed and funds to be used for Kamux's growth and based on this assessment, makes a proposal on the amount of dividends to be distributed, which may for any single year differ significantly from the target level set in the dividend policy.

Market review

A variety of measures were adopted in all Kamux's operating countries during the first quarter in order to mitigate the spread of corona. In Finland and Sweden, there were no special restrictions set on society regarding shopping at showrooms, but the company had to resort to substitute employee arrangements due to employee quarantines. In Germany, the company operated in very exceptional circumstances throughout the first quarter as society continued to be largely closed, and car sales were mainly conducted remotely.

The company estimates that the used car market grew in Finland and Sweden during the first quarter but shrank in Germany. The company estimates that it continued to be a market leader in Finland and one of the ten biggest used car retailers in Sweden. Kamux estimates that its share of the used car market in Germany increased during the first quarter. It is, however, still marginal. In the European Union, first-time registrations of new passenger cars increased by 3.2% in January–March 2021 (ACEA).

Kamux estimates that the used car market sizes in 2020 in the countries in which Kamux operates were as follows: approximately 0.6 million cars sold yearly in Finland, approximately 1.4 million cars in Sweden, and approximately 7.0 million cars in Germany. Kamux estimates that the used car market size in all three operating countries totals approximately 9 million sold cars annually, which is more than EUR 100 billion.

Revenue in January–March 2021

Revenue increased by 25.4% compared to the corresponding period of the previous year and amounted to EUR 209.9 million (167.4). The increase in revenue was driven by the opening of new showrooms and sales growth of like-for-like showrooms. Kamux's integrated services revenue increased compared to the corresponding period of the previous year, amounting to EUR 9.4 million (8.9), or 4.5% (5.3) of total revenue.

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 14.2% compared to the corresponding period of the previous year and amounted to 16,242 cars (14,227). Revenue per sold car amounted to EUR 12,921 (11,764).

Revenue allocation

EUR million	1–3/2021	1–3/2020	1–12/2020
Sales of used cars	200.4	158.4	687.0
Financing fees and Insurance commissions	7.9	7.5	31.3
Sales of Kamux Plus	1.5	1.5	5.8
Total	209.9	167.4	724.1

Result in January–March 2021

Gross profit increased by 26.9% compared to the corresponding period of the previous year and amounted to EUR 23.2 million (18.3). Gross profit increased in Finland and in Sweden. In Kamux Group, gross profit as percentage of revenue increased by 0.1 percentage points to 11.0% (10.9). There was no need to recognize material exceptional inventory write-downs in the balance sheet at the end of the first quarter. In the corresponding period, gross profit was impacted negatively by an exceptionally large write-down of inventory related to market situation caused by corona pandemic, profit impact totaling EUR 1.6 million.

The adjusted operating profit increased by 44.0% and amounted to EUR 5.7 million (4.0), or 2.7% (2.4) of revenue. The adjusted operating profit has been adjusted for special items related to strategic planning and taxes from previous financial years. In the first quarter, there were no items adjusting the operating profit (0.0).

Operating profit (EBIT) increased by 44.0% compared to the previous year, amounting to EUR 5.7 million (4.0).

Financial income and costs amounted to EUR -1.1 million (-0.4).

The profit before taxes amounted to EUR 4.6 million (3.5). Earnings per share amounted to EUR 0.09 (0.06).

Key figures of the business segments

pcs	1–3/2021	1–3/2020	Change, %	1–12/2020
Number of cars sold without internal sales				
Finland	12,108	10,937	10.7%	45,435
Sweden	3,035	2,236	35.7%	10,485
Germany	1,099	1,054	4.3%	4,737
Segments total	16,242	14,227	14.2%	60,657

EUR million	1–3/2021	1–3/2020	Change, %	1–12/2020
Revenue				
Finland	146.6	121.9	20.3%	512.1
Sweden	66.3	44.8	47.8%	215.5
Germany	21.3	15.2	40.3%	67.0
Segments total	234.3	181.9	28.8%	794.6
Group functions and eliminations	-24.4	-14.6	-67.2%	-70.5
Total	209.9	167.4	25.4%	724.1

Gross Profit				
Finland	18.5	14.5	27.4%	70.9
Sweden	3.8	2.9	33.8%	15.2
Germany	0.9	0.9	-3.4%	5.5
Segments total	23.2	18.3	26.9%	91.5
Group functions and eliminations	-	-	-	-
Total	23.2	18.3	26.9%	91.5

Gross profit, as percentage of revenue, %				
Finland	12.6%	11.9%		13.8%
Sweden	5.8%	6.4%		7.0%
Germany	4.0%	5.8%		8.2%
Segments total	9.9%	10.0%		11.5%
Group functions and eliminations	-	-		-
Total	11.0%	10.9%		12.6%

Operating profit				
Finland	8.3	5.8	42.1%	34.9
Sweden	0.1	0.1	-61.2%	2.4
Germany	-1.0	-0.7	-30.0%	-1.5
Segments total	7.4	5.2	41.0%	35.8
Group functions and eliminations	-1.7	-1.3	-31.7%	-4.7
Total	5.7	4.0	44.0%	31.2

EUR million	1–3/2021	1–3/2020	Change, %	1–12/2020
Operating profit, as percentage of revenue, %				
Finland	5.6%	4.8%		6.8%
Sweden	0.1%	0.3%		1.1%
Germany	-4.5%	-4.9%		-2.3%
Segments total	3.1%	2.9%		4.5%
Group functions and eliminations	-	-		-
Total	2.7%	2.4%		4.3%
Special items adjusting operating profit				
Finland	-	-		0.7
Sweden	-	-		-0.0
Germany	-	-		-
Segments total	-	-		0.6
Group functions and eliminations	-	-		-0.2
Total	-	-		0.5
Operating profit adjusted for special items				
Finland	8.3	5.8	42.1%	34.2
Sweden	0.1	0.1	-61.2%	2.5
Germany	-1.0	-0.7	-30.0%	-1.5
Segments total	7.4	5.2	41.0%	35.2
Group functions and eliminations	-1.7	-1.3	-31.7%	-4.5
Total	5.7	4.0	44.0%	30.7
Operating profit adjusted for special items, as percentage of revenue, %				
Finland	5.6%	4.8%		6.7%
Sweden	0.1%	0.3%		1.1%
Germany	-4.5%	-4.9%		-2.3%
Segments total	3.1%	2.9%		4.4%
Group functions and eliminations	-	-		-
Total	2.7%	2.4%		4.2%

Share of the integrated services in all used cars sold by Kamux by segment

percentage, %	1–3/2021	1–3/2020	1–12/2020
Financing services			
Finland	45	44	43
Sweden	45	48	46
Germany	20	21	21
Insurance services			
Finland	49	48	48
Sweden	91	92	93
Kamux Plus			
Finland	20	18	18
Sweden	22	23	19

Finland in January–March 2021

Revenue increased by 20.3% compared to the corresponding period of the previous year, amounting to EUR 146.6 million (121.9). The number of cars sold increased by 1,171, or 10.7% compared to the first quarter of the previous year, amounting to 12,108 cars (10,937). The growth was driven by the opening of new showrooms and sales growth of like-for-like showrooms. Integrated services revenue increased to EUR 8.2 million (7.7), or 5.6% (6.3) of revenue. Operating profit increased by 42.1% compared to the corresponding period of the previous year, amounting to EUR 8.3 million (5.8), or 5.6% (4.8) of revenue. In Finland, measures taken by society to mitigate the spread of corona did not considerably affect Kamux's business, but the company had to resort to substitute employee arrangements in showrooms due to employee quarantines.

Sweden in January–March 2021

Total revenue increased by 47.8% compared to the corresponding period of the previous year, amounting to EUR 66.3 million (44.8). External revenue increased by 54.6%, amounting to EUR 47.3 million (30.6). The number of cars sold increased by 799, or 35.7% compared to the first quarter of the previous year, amounting to 3,035 cars (2,236). The growth was driven by the opening of new showrooms and sales growth of like-for-like showrooms. Revenue of the integrated services increased to EUR 1.0 million (0.8), or 2.1% (2.6) of external revenue. Operating profit remained at the previous year's level, amounting to EUR 0.1 million (0.1), or 0.1% (0.3) of total revenue. In Sweden, the number of corona infections remained high throughout the first quarter, affecting people's mobility and shopping behavior, even though the government did not impose restrictions affecting the operation of showrooms. Substitute employee arrangements were needed in showrooms due to employee quarantines.

Germany in January–March 2021

Total revenue increased by 40.3% compared to the corresponding period of the previous year, amounting to EUR 21.3 million (15.2). External revenue increased by 7.2%, amounting to EUR 15.9 million (14.9). The number of cars sold increased by 45, or 4.3% compared to the first quarter of the previous year, amounting to 1,099 cars (1,054). The growth was driven by new showrooms. Integrated services revenue decreased to EUR 0.2 million (0.4), or 1.3% (2.9) of external revenue. Operating loss increased compared to the corresponding period of the previous year, amounting to EUR -1.0 million (-0.7), or -4.5% (-4.9) of total revenue. In Germany, Kamux operated in very exceptional circumstances, and car sales were mainly conducted remotely as the closure of society continued throughout the first quarter.

Consolidated balance sheet and financial position

As of March 31, 2021, the consolidated balance sheet total was EUR 218.9 million (187.1), of which total equity amounted to EUR 99.1 million (83.8). Net debt amounted to EUR 75.5 million (45.4). Non-current bank loans amounted to EUR 14.0 million (25.9).

In spring 2020, Kamux renewed the five-year credit facility agreement of EUR 40 million with Nordea Bank Corporation. The renewed credit facility agreement includes a five-year term loan of EUR 18 million and a five-year revolving credit facility of EUR 22 million. In addition to the revolving credit facility, Kamux has a lease guarantee facility of EUR 0.4 million. At the end of the reporting period, EUR 16.0 million of the term-loan and EUR 7.2 million of the revolving credit facility were taken into use. The term loan is currently repaid in bi-annual instalments of EUR 1.0 million.

Net working capital amounted to EUR 99.5 million (63.3) as of March 31, 2021. The value of the inventory was EUR 122.4 million (77.6). We invest in growth in accordance with the reviewed strategy, and we began preparing for the 2021 spring and summer sales season by expanding our inventory considerably from the comparison period. The used car market and price development was stable during the first quarter. There were still challenges with the availability of cars during the first quarter due to the weak development of new car sales.

Kamux's cash flow from operating activities for January–March amounted to EUR -13.2 million (-3.8). Cash and cash equivalents at the end of the period amounted to EUR 0.4 million (29.9).

Equity ratio at the end of the review period was 45.4% (44.9). Return on capital employed (ROI) was 16.5% (13.2) and return on equity (ROE) was 26.5% (23.6).

Capital expenditure, research and development

Kamux seeks to gain a significant competitive advantage by investing in leading with knowledge as well as digital customer and business processes.

Kamux's capital expenditure for January–March amounted to EUR 1.2 million (1.1) and they consisted mainly of IT systems and ordinary maintenance in the showrooms. The company financed these capital expenditures with its existing cash and cash equivalents as well as cash flow from operations.

Kamux's research and development costs are mainly related to further development of the company's retail concept and improvement of its business processes.

Personnel

In January–March, Kamux's average number of employees amounted to 795 (661) in terms of full-time employees. Recruitment of new personnel is continued to support Kamux's growth.

Average number of employees by segment

	1–3/2021	1–3/2020	1–12/2020
Finland	536	468	492
Sweden	178	135	154
Germany	81	57	67
Total	795	661	713

Kamux's share and shareholders

Kamux's largest shareholders as of March 31, 2021 were Juha Kalliokoski including both the shares owned by Juha Kalliokoski and by an investment company controlled by closely associated persons to Juha Kalliokoski (14.6%), Elo Mutual Pension Insurance Company (6.3%) and Jussi Mäkinen (3.4%).

During January–March, 8,720,672 (5,607,837) Kamux shares were traded on the Nasdaq Helsinki main market. The highest share price was EUR 15.78 (8.98) and the lowest price was EUR 12.48 (5.14). On the last trading day of the review period March 31, 2021, the closing share price was EUR 13.08 (5.80). Kamux's volume weighted average share price during January–March was EUR 13.71 (7.42). Market capitalization, excluding treasury shares, measured at the review period's closing price was EUR 522.9 million (231.6).

At the end of March 2021, Kamux's share capital amounted to EUR 80,000 and the number of shares was 40,017,420. During the period under review, there were no changes in the number of shares held by the company. At the end of the review period, the company held 43,707 treasury shares, representing 0.11% of all shares.

Management and Corporate Governance

At the end of the review period, Kamux's Management Team included Juha Kalliokoski, CEO; Marko Lehtonen, CFO; Tommi Iiskonmäki, Country Director, Sweden; Mikko-Heikki Inkeroinen, Chief Digital Officer; Marjo Nurmi, Chief People Officer; Satu Ojala, Director of Communications; Tero Törmänen, Purchasing Director; Vesa Uotila, Director of Business Development, and Ilkka Virtanen, Director of International Business.

After the review period, Kamux announced on April 1, 2021 that Ilkka Virtanen, Kamux's Country Director, Finland and Member of the Management Team, has decided to take up new responsibilities outside the company. Virtanen will continue in the company until June 30, 2021 but transfer to other duties. For the time being, Group CEO Juha Kalliokoski will be acting Country Director, Finland.

Share-based incentive plan

On February 26, 2021, the Board of Directors of Kamux Corporation decided to approve the new long-term share-based incentive plan for the Group's key personnel for years 2021–2023. The general terms and conditions of the plan were described and published in a separate stock exchange release on February 26, 2021. The entire plan is accounted for as an equity-settled payment with net settlement features. The plan is divided into three one-year earnings periods, of which the first earnings period began at the beginning of January 2021. The commitment period following the earnings periods ends at April 30, 2024. In addition, the plan includes an additional component based on the market value of the Company. Based on the additional component, as the criteria is met, additional shares will be distributed after the end of the 2023 earnings period. The fair value of the plan was determined on the grant date. During January–March 2021, the total effect of the share-based plans on the consolidated income for the reporting period was EUR -0.1 million (-0.1).

Resolutions of the Annual General Meeting of Kamux Corporation and the Decisions of the Constitutive Meeting of the Board of Directors

Resolutions of the Annual General Meeting

Kamux Corporation's Annual General Meeting was held on Tuesday, April 20, 2021 under extraordinary meeting procedures without the presence of shareholders or their proxy representatives on the basis of the so-called 'temporary act' (677/2020). The shareholders could participate in the Annual General Meeting and exercise their shareholder rights only by voting in advance and presenting counterproposals or questions in advance.

The Meeting approved the Financial Statements and discharged the members of the Board of Directors and CEO from liability for the year of 2020. Further, The Annual General Meeting approved the Remuneration Report for the Governing Bodies with an advisory resolution.

Payment of dividend

The Board of Directors' proposal for a dividend of EUR 0.24 per share was approved. The dividend will be paid in two instalments. The record date for the first dividend instalment was April 23, 2021 and the dividend was paid on April 30, 2021. The record date for the second dividend instalment is October 22, 2021 and the dividend will be paid on October 29, 2021. The Board was authorized to decide, if necessary, on a new dividend payment record date and pay date for the second instalment if the rules and statutes of the Finnish book-entry system change or otherwise so require.

Members of the Board of Directors and remuneration

In accordance with the proposal of the Shareholders' Nomination Board, the Annual General Meeting confirmed that the Board of Directors will consist of six members and Mr. Harri Sivula, Ms. Reija Laaksonen, Mr. Antti Mäkelä, Mr. Jokke Paananen and Mr. Tuomo Vähäpassi were re-elected as members of the Board of Directors and Mr. Tapio Pajuharju was elected as new member of the Board of Directors. The Annual General Meeting elected Mr. Harri Sivula as the Chairman of the Board and Mr. Tuomo Vähäpassi as the Vice Chairman of the Board.

The Annual General Meeting resolved, in accordance with the proposal of the Shareholders' Nomination Board, an annual compensation of EUR 60,000 be paid for the Chairman of the Board and EUR 30,000 for the Board Members, and an additional compensation of EUR 5,000 per year to the Chairman of the Audit Committee and EUR 2,500 for each member of the Audit Committee. It was resolved that 40 per cent of the

annual fee of the Chairman and the members of the Board of Directors are paid in Kamux Corporation shares either purchased at a prevailing market price from the market or alternatively by using own shares held by the Company. The rest of the annual fee would be paid in cash, which is used to cover taxes arising from the fees. The fees of the committee will be paid in cash. If the Board of Directors decides to establish new committees, the annual fees of the Chairman and the members of the new committee are equal to the annual fees of the Chairman and the members of the Audit Committee. Travel expenses will be reimbursed in accordance with the Company's travel policy.

Auditor

Authorized Public Accountant PricewaterhouseCoopers Oy was re-elected as the company's auditor in accordance with the proposal of the Board of Directors. The remuneration of the auditor will be paid according to the invoice as accepted by Company. PricewaterhouseCoopers Oy has informed that Authorized Public Accountant Mr. Janne Rajalahti will act as the principal auditor.

Authorizing the Board of Directors to decide on a share issue

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the issuance of a maximum of 4,000,000 shares in one or more tranches corresponding to approximately 10% of all the shares in the company. The Board of Directors decides on the terms and conditions of the issuance of shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares either against payment or without consideration. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive right (directed issue). The authorization cancels previous authorization regarding share issue given to Board of Directors by the Annual General Meeting on April 21, 2020. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until June 30, 2022.

Authorization of the Board of Directors to decide on the repurchase of company's own shares

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the repurchase of a maximum of 2,000,000 company's own shares using the unrestricted equity of the company representing about 5% of all the shares in the company. The authorization includes the right to accept company's own shares as a pledge. The shares shall be acquired through public trading, for which reason the shares are acquired otherwise than in proportion to the share ownership of the shareholders and the consideration paid for the shares shall be the market price of the Company's share in public trading at Nasdaq Helsinki Ltd at the time of the acquisition. Shares may also be acquired outside public trading for a price which at most corresponds to the market price in public trading at the time of the acquisition.

The authorization includes the Board's right to resolve on a directed repurchase or the acceptance of shares as a pledge, if there is a compelling financial reason for the company to do so as provided for in Chapter 15, section 6 of the Finnish Limited Liability Companies Act. The shares shall be acquired to be used for execution of the Company's share-based incentive schemes or for other purposes determined by the Board of Directors. The decision to repurchase or redeem company's own shares or to accept them as pledge shall not be made so that the shares of the company in the possession of or held as pledges by the company and its subsidiaries would exceed 10% of all shares. The authorization cancels previous authorization given to Board of Directors by the Annual General Meeting on April 21, 2020. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2022. The Board of Directors shall decide on any other matters related to the repurchase of the company's own shares and/or accepting them as a pledge.

Decisions of the Constitutive Meeting of the Board of Directors

In its constitutive meeting convening after the Annual General Meeting, the Board of Directors decided to appoint Mr. Tuomo Vähäpassi (chairman), Ms. Reija Laaksonen and Mr. Antti Mäkelä as the members of the Audit Committee. The Board resolved not to establish other committees.

The Board assessed the independence of the directors in accordance with the Finnish Corporate Governance Code. It was concluded that all elected members are independent from the company and its significant shareholders.

The decisions of the Annual General Meeting and the constitutive meeting of the Board of Directors were published in a stock exchange release on April 20, 2021.

During the review period, Kamux published the company's corporate governance statement and remuneration report for 2020. The reports are available at kamux.com.

Flagging notices

During the first quarter of 2021, the company received notice of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act as follows:

On March 5, 2021, Juha Kalliokoski and Callardo Capital Oy, a company controlled by closely associated persons, announced that the total holdings of shares and voting rights of Juha Kalliokoski and Callardo Capital Oy in Kamux Corporation has fallen below the 15 percent flagging threshold.

Tax reassessment decision

In June 2018, Kamux announced that it had received a tax reassessment decision from the Finnish Tax Administration. The decision was related to a tax audit carried out by the Finnish Tax Administration in 2016–2018 concerning Kamux Suomi Oy and the tax years 2012–2016. Kamux expensed the total amount of the tax reassessment decision, approximately EUR 2.6 million, in full in its result for the second quarter of 2018. However, Kamux considered the decision to be unfounded and appealed against the decision.

In June 2020, The Finnish Tax Administration's Adjustment Board partially approved the appeal by Kamux on the tax reassessment decision and ruled that the company receive a refund of approximately EUR 0.9 million. Kamux recognized the total amount of the refund, EUR 0.9 million, in its result for the second quarter of 2020 as credit in other operating expenses. Both parties have the opportunity to appeal the decision. Kamux considers the decision of the Adjustment Board partly unfounded, and the company has placed the issue before the Administrative Court and applied for a rectification of the Adjustment Board's ruling.

Short-term risks and uncertainties

According to the company's assessment, there have not been material changes in the short-term risks and uncertainties during the review period.

The global corona pandemic and the restrictions and regulations related to it have caused significant changes to Kamux's operating environment. The exceptional circumstances widely impact people's lives, health, mobility, financial situation and the business of companies. There are many uncertainties related to the situation and the spread, new waves or duration of the pandemic that have already impacted Kamux's business, financial position and results of operations negatively and might continue to do so in the future as well.

Kamux's revenue and operating profit have experienced strong growth in recent years. However, in the future, Kamux's revenue and operating profit may increase more slowly or decrease compared to the historical performance.

Kamux's geographical expansion involves several risks, and any failure in recognizing suitable co-operation partners, recruiting new employees or achieving estimated benefits from internationalization may have a material adverse effect on Kamux. Furthermore, the company's success will depend on, inter alia, the company's management and other skilled employees, as well as its ability to recruit, develop, train, motivate and retain skilled employees.

Kamux's rapid and strong growth and business expansion during the past few years have set new requirements for the scope and monitoring of internal guidelines and policies. Any failure in the implementation and monitoring of these guidelines or policies may lead to financial consequences for Kamux and weaken the company's reputation.

Kamux operates in the used car retail market, and uncertain general economic conditions in the countries in which Kamux operates may have an adverse effect on Kamux's business, financial position and results of operations.

Kamux operates in a competitive and fragmented used car market, and competition may increase in the future.

Changes in car tax legislation or preparation of legislation may have a material adverse effect on the sales of new and used cars and on Kamux. Kamux's tax burden could increase as a result of changes to tax laws or their application or as a result of a tax audit. Public discussion on car power sources and possible changes

in power sources as well as political decisions related to power sources may seasonally have an effect on Kamux's business, considering that the consumer demand may fluctuate.

Kamux's IT systems are pivotal to the company's operations, and they cover all the major areas of the business. Failure of the IT systems and services to operate as planned may disturb Kamux's operations and have an adverse effect on its business.

Kamux believes that its brand and reputation among its customers are important for the company's success. Kamux's failure to maintain an adequate service level or an adverse event that damages the company's reputation may have a significant adverse effect on Kamux.

The main principles of Kamux's risk management are described in the consolidated financial statements and on the website at www.kamux.com.

Events after the reporting period

On April 1, 2021, Kamux announced the departure of Ilkka Virtanen, Kamux's Country Director, Finland and Member of the Management Team, to new responsibilities outside the company.

On April 16, 2021, Kamux transferred altogether 4,894 treasury shares held by the Company through a directed share issue without consideration to persons included in the 2020 share-based incentive plan. After the transfer of treasury shares, the company held 39,145 treasury shares.

On April 21, 2021, a total of 330 shares were returned to the company without consideration in accordance with the terms and conditions of the company's share-based incentive scheme 2020 due to the termination of employment of a key person covered by the plan. After the return, the company holds a total of 39,145 treasury shares.

On May 3, 2021, the Gothenburg mega store was opened.

On May 3, 2021, Kamux announced a strategic property investment and announced that it will establish a showroom and processing center in Oulu.

Calculation of key figures and alternative performance measures

Kamux presents alternative performance measures as additional information to performance measures presented in the consolidated income statement, consolidated statement of financial position and consolidated statement of cash flows prepared in accordance with IFRS. In Kamux's view, the alternative performance measures provide significant additional information related to Kamux's operating results, financial position and cash flows, and they are widely utilized by analysts, investors and other parties.

The alternative performance measures should not be considered separately from measures under IFRS or as substitutes for corresponding measures under IFRS. All companies do not calculate alternative performance measures in a uniform way and therefore the alternative performance measures presented by Kamux may not be comparable with similarly named measures presented by other companies.

Reconciliation of adjusted operating profit

EUR million	1-3/2021	1-3/2020	1-12/2020
Operating profit (EBIT)	5.7	4.0	31.2
Strategic investigations	-	-	0.0
Taxes related to previous financial years	-	-	-0.5
Total adjustment items	-	-	-0.5
Adjusted operating profit	5.7	4.0	30.7

Calculation of key figures

Gross profit	=	Revenue + Other operating income - Materials and services
Earnings before interest, tax, depreciation, and amortization (EBITDA)	=	Operating profit + Depreciation and amortization
Adjusted operating profit (EBIT)	=	Operating profit adjusted for special items relating to strategic planning, geographical expansion of business and taxes related to previous financial years.
Net debt	=	Non-current borrowings + Current borrowings + Lease liabilities - Cash and cash equivalents
Financial debt	=	Non-current borrowings + Current borrowings
Like-for-like showroom revenue growth	=	$100 * \left(\frac{\text{Like-for-like showroom car sales}}{\text{Like-for-like showroom car sales in the previous year}} - 1 \right)$ <i>New showrooms are included in the calculation when they have been open for 13 months and, therefore, the first time the showroom is included in the measure is its 25th operating month.</i>
Inventory turnover	=	$365 * \frac{\text{Inventories (average for 12 months)}}{\text{Materials and services (rolling 12 months)}}$
Return on equity (ROE), %	=	$100 * \frac{\text{Profit for the period (rolling 12 months)}}{\text{Equity (average for 12 months)}}$
Return on capital employed (ROI), %	=	$100 * \frac{\text{Profit for the period} + \text{Finance costs (rolling 12 months)}}{\text{Equity} + \text{Financial debt (average for 12 months)}}$
Equity ratio, %	=	$100 * \frac{\text{Equity}}{\text{Balance sheet total} - \text{Advance payments received}}$
Gearing, %	=	$100 * \frac{\text{Net debt}}{\text{Equity}}$
Earnings per share, basic	=	$\frac{\text{Profit for the period (attributable to owners of the Company)}}{\text{Weighted average number of outstanding shares adjusted for share issue for the period}}$
Net working capital	=	Inventories + Trade and other receivables + Current income tax receivables - Trade and other payables - Current income tax liabilities - Non-current and current provisions

Kamux Corporation's Interim Report for January–March 2021

Key accounting policies

This Interim Report has been prepared according to the IAS 34 - Interim Financial Reporting standard. The Interim Report is based on the same accounting policies and calculation methods as used in the financial statements for the year 2020 as well as on the new and amended IFRS standards described in the financial statements for the year 2020. However, the Interim Report does not include all the information and notes that are presented in the Annual Financial Statements. As such, the Interim Report should be read together with the Annual Financial Statements for the year 2020. The same accounting principles are applied in this Interim Report as in the Annual Financial Statements.

The figures presented in the Interim Report are independently rounded.

Preparing the Interim Report requires the management to make accounting estimates and judgments as well as assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, income and expenses. The actual outcomes may differ from these estimates and judgments. In preparation of this Interim Report, the most significant estimates made by the management relating to the group's accounting policies and uncertainties are the same as those applied in the Financial Statements for the year 2020.

The Interim Report is unaudited.

Consolidated statement of comprehensive income

EUR million	1–3/2021	1–3/2020	1–12/2020
Revenue	209.9	167.4	724.1
Other operating income	0.4	0.2	1.3
Materials and services	-187.1	-149.3	-633.8
Personnel costs	-11.3	-9.1	-39.0
Other operating expenses	-3.2	-2.9	-11.7
Depreciation and amortization	-3.0	-2.3	-9.6
Operating profit	5.7	4.0	31.2
Finance income and costs	-1.1	-0.4	-2.7
Profit before income tax	4.6	3.5	28.5
Income tax	-1.2	-1.0	-5.2
Profit for the period	3.4	2.5	23.3
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Translation differences	-0.1	-0.1	0.2
Other comprehensive income for the period, net of tax	-0.1	-0.1	0.2
Total comprehensive income for the period	3.4	2.5	23.5
Profit for the period attributable to owners of the Company	3.4	2.5	23.3
Total comprehensive income for the period attributable to owners of the Company	3.4	2.5	23.5
Earnings per share for profit attributable to owners of the Company			
Earnings per share, basic and diluted, EUR	0.09	0.06	0.58

Consolidated balance sheet

EUR million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
ASSETS			
Non-current assets			
Intangible assets	5.6	2.6	5.1
Goodwill*	14.0	14.0	14.0
Property, plant and equipment	2.5	2.2	2.4
Lease assets	51.8	47.0	46.9
Other receivables	0.2	0.1	0.2
Deferred tax assets	1.4	0.4	1.3
Total non-current assets	75.4	66.3	69.9
Current assets			
Inventories**	122.4	77.6	93.6
Trade and other receivables***	20.6	12.9	16.6
Current income tax assets	0.2	0.4	0.0
Cash and cash equivalents	0.4	29.9	11.2
Total current assets	143.5	120.8	121.4
TOTAL ASSETS	218.9	187.1	191.3
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	24.7	24.7	24.7
Translation differences	0.0	-0.1	0.1
Treasury shares	-0.2	-0.5	-0.2
Retained earnings	71.0	57.1	47.6
Profit for the period	3.4	2.5	23.3
Total equity attributable to owners of the Company	99.1	83.8	95.7
Non-current liabilities			
Borrowings	14.0	25.9	14.9
Lease liabilities	43.6	39.4	39.1
Other non-current liabilities	0.1	0.1	0.1
Provisions	0.4	0.4	0.4
Total non-current liabilities	58.0	65.8	54.5
Current liabilities			
Borrowings	9.2	2.0	2.0
Lease liabilities	9.1	7.9	8.6
Derivative financial instruments	0.3	0.3	0.0
Trade and other payables	40.2	24.6	27.3
Provisions	3.1	2.6	3.1
Current income tax liabilities	-	-	0.1
Total current liabilities	61.9	37.5	41.2
Total liabilities	119.9	103.3	95.6
TOTAL EQUITY AND LIABILITIES	218.9	187.1	191.3

*Goodwill in the balance sheet is allocated to the operating segment Finland which is profitable. In accordance with management's estimate, the corona pandemic has not caused any indication of impairment of goodwill.

**Inventory is measured at lower of cost and estimated selling price of the car i.e. net realizable value which is determined based on management's judgment, market information and historical data. If the estimated selling price of the car is lower than the cost, the inventory value for the car will be written down through profit or loss in the item Materials and services. In accordance with management's estimate, the market situation caused by the corona pandemic has not given a reason to recognize material exceptional inventory write-downs in the balance sheet as per

March 31, 2021 (in the comparison period, the effect of the inventory write-down in profit or loss totaled EUR 1.6 million).

***Trade receivables consist mainly of receivables from finance companies. Receivables originate when there is a temporary time lag between the approved credit decision and a payment made by the finance company. During that time lag Kamux has a temporary credit risk from finance companies. The company mitigates the credit risk by dealing only with highly rated finance company counterparties. The trade receivables as per March 31, 2021 do not include material past due items and there was no need to recognize material impairment losses.

Consolidated statement of changes in equity

EUR million	Share capital	Reserve for invested unrestricted equity	Translation differences	Treasury shares	Retained earnings	Total equity
Equity at Jan 1, 2021	0.1	24.7	0.1	-0.2	71.0	95.7
Profit for the period					3.4	3.4
Other comprehensive income			-0.1			-0.1
Total comprehensive income			-0.1		3.4	3.4
Transactions with owners:						
Share-based payments					0.0	0.0
Equity at Mar 31, 2021	0.1	24.7	0.0	-0.2	74.4	99.1
Equity at Jan 1, 2020	0.1	24.7	-0.1	-	56.9	81.7
Profit for the period					2.5	2.5
Other comprehensive income			-0.1			-0.1
Total comprehensive income			-0.1		2.5	2.5
Transactions with owners:						
Acquisition of treasury shares				-0.5	-	-0.5
Share-based payments					0.1	0.1
Equity at Mar 31, 2020	0.1	24.7	-0.1	-0.5	59.6	83.8

Consolidated statement of cash flows

EUR million	1–3/2021	1–3/2020	1–12/2020
Cash flows from operating activities			
Profit for the period	3.4	2.5	23.3
Adjustments for:			
Depreciation and amortization	3.0	2.3	9.6
Finance income and costs	1.1	0.4	2.7
Change in provisions	0.0	-0.0	0.4
Write-down of inventories	-0.1	1.6	0.2
Income taxes	1.2	1.0	5.2
Other non-cash items	-	0.1	0.2
Changes in working capital:			
Change in trade receivables and other receivables	-4.1	5.4	2.1
Change in trade payables and other payables	13.3	-4.9	-2.9
Change in inventories	-29.2	-9.9	-22.7
Interests paid	-0.3	-0.3	-1.1
Other financial items, net	-0.0	-0.1	-0.1
Income taxes paid	-1.5	-2.0	-6.6
Net cash inflow (outflow) from operating activities	-13.2	-3.8	10.2
Cash flows from investing activities			
Investments in property, plant and equipment	-0.2	-0.2	-0.8
Investments in intangible assets	-1.0	-1.0	-4.1
Net cash inflow (outflow) from investing activities	-1.2	-1.1	-4.9
Cash flows from financing activities			
Purchase of treasury shares	-	-0.5	-0.5
Proceeds from bank loans	7.2	10.0	10.0
Repayments of bank loans	-1.0	-1.5	-12.5
Repayments of lease liabilities	-2.1	-1.9	-7.9
Dividends paid	-	-	-9.2
Other cash flows from financing activities	-0.1	0.2	-0.0
Net cash inflow (outflow) from financing activities	4.0	6.3	-20.1
Net decrease/increase in cash and cash equivalents	-10.5	1.4	-14.7
Cash and cash equivalents at the beginning of the period	11.2	27.6	27.6
Effects of exchange rate changes on cash and cash equivalents	-0.3	0.9	-1.7
Cash and cash equivalents at the end of period	0.4	29.9	11.2

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
1–12/2020							
Revenue	512.1	215.5	67.0	794.6		-70.5	724.1
internal	0.0	66.9	3.6	70.6		-70.5	0.1
external	512.1	148.5	63.4	724.0			724.0
sales of used cars	480.8	144.8	61.3	686.9			686.9
integrated services	31.4	3.7	2.0	37.1			37.1
Gross profit	70.9	15.2	5.5	91.5			91.5
EBITDA	41.3	4.7	-0.5	45.4	-4.6		40.8
Depreciation and amortization	-6.3	-2.3	-1.0	-9.6	-0.0		-9.6
Operating profit	34.9	2.4	-1.5	35.8	-4.7		31.2
Finance income and costs							-2.7
Profit before income tax							28.5

Net working capital

EUR million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Inventories	122.4	77.6	93.6
Trade and other receivables	20.6	12.9	16.6
Current income tax receivables	0.2	0.4	0.0
Trade and other payables	-40.2	-24.6	-27.3
Provisions	-3.4	-3.0	-3.4
Current income tax liabilities	-	-	-0.1
Net working capital	99.5	63.3	79.3

Net debt

EUR million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Non-current interest-bearing liabilities			
Bank loans	14.0	25.9	14.9
Lease liabilities	43.6	39.4	39.1
Total non-current interest-bearing liabilities	57.6	65.3	54.0
Current interest-bearing liabilities			
Bank loans	2.0	2.0	2.0
Bank overdrafts	7.2	-	-
Lease liabilities	9.1	7.9	8.6
Total current interest-bearing liabilities	18.3	9.9	10.6
Total interest-bearing liabilities	75.9	75.3	64.7
Less cash and cash equivalents	-0.4	-29.9	-11.2
Net debt	75.5	45.4	53.5

Additional information on Net debt in section Consolidated balance sheet and financial position.

Derivatives

EUR million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Foreign currency derivatives			
Fair value	-0.3	-0.3	-0.0
Value of underlying instrument	35.3	16.3	5.5

Lease agreements and other commitments
Changes of lease agreements in the balance sheet

EUR million	Lease assets	Lease liabilities
Jan 1, 2021	46.9	47.7
Increases	7.7	7.6
Decreases	-0.1	-0.3
Depreciation	-2.3	-
Exchange rate differences and other changes	-0.4	-0.1
Interest expenses	-	-0.1
Repayments of lease liability	-	-2.0
Mar 31, 2021	51.8	52.8

EUR million	Lease assets	Lease liabilities
Jan 1, 2020	46.4	46.6
Increases	3.4	3.4
Depreciation	-2.0	-
Exchange rate differences and other changes	-0.7	-0.8
Interest expenses	-	-0.1
Repayments of lease liability	-	-1.8
Mar 31, 2020	47.0	47.4

Changes of lease agreements in the statement of comprehensive income

EUR million	1–3/ 2021	1–3/ 2020	1–12/ 2020
Depreciation of lease assets	-2.3	-2.0	-8.4
Interest cost from lease liabilities	-0.1	-0.1	-0.5
Costs from short-term leases	-0.0	-0.0	-0.1
Costs from service components included in lease agreements	-0.1	-0.1	-0.3
Total expense in the statement of comprehensive income	-2.5	-2.2	-9.3

Loans against which guarantees and mortgages have been given

EUR million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Loans	23.1	27.9	16.9
guarantees given against loans	104.0	104.0	104.0

Other commitments

EUR million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Rent and other payment guarantees	0.5	0.4	0.5

Related party transactions

EUR million	1–3/2021	1–3/2020	1–12/2020
Sales of used cars	-	-	0.1
Purchases of used cars	-0.0	-0.1	-0.2
Consulting expenses	-	-0.0	-0.0

EUR million	Mar 31, 2021	Mar 31, 2020	Dec 31, 2020
Lease liabilities	3.8	3.9	3.9

Kamux's key management personnel, members of the Board of Directors and their family members have the right to buy cars from Kamux and sell cars to Kamux in accordance with the personnel policy applicable to the whole staff.

Consulting expenses comprise consultancy fees paid to Virtanen Consulting GmbH, controlled by Matti Virtanen. The fees are related to the Group's geographical expansion.

Group's lease liabilities for related party include the present value of future lease payments for showrooms owned by the Group's CEO, his immediate family members and companies under their control.

Publication schedule for financial reporting in 2021

Publication schedule for Kamux Corporation's financial reporting in 2021:

August 13, 2021: Kamux Corporation will publish its Half-Year Report for January–June 2021.

November 12, 2021: Kamux Corporation will publish its Interim Report for January–September 2021.

Interim Report Webcast

Kamux will hold an Interim Report webcast and conference call for media and analysts today, May 12, 2021 at 11:00 (EET) in Finnish and then in English at around 12:00 (EET). The event will be held only through web and you can follow it as a live webcast in Finnish through a link at <https://kamux.videosync.fi/2021-q1-tulos> and in English at <https://kamux.videosync.fi/2021-q1-results>. The Interim Report will be presented by CEO Juha Kalliokoski and CFO Marko Lehtonen.

In Hämeenlinna on May 12, 2021

Kamux Corporation

The Board of Directors

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