

INTERIM REPORT

January-March 2019



Kamux Corporation

Interim Report

May 10, 2019 at 09:00

Kamux Corporation's Interim Report for January–March 2019

Kamux's revenue increased by 11% – strong international growth, operating profit was close to last year's level.

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

January–March in brief

- The number of cars sold increased by 7.1% to 12,187 cars (11,379)
- Revenue increased by 11.1%, totaling EUR 143.0 million (128.7)
- Gross profit increased by 13.7% to EUR 16.6 million (14.6), or 11.6% (11.3) of revenue
- Adjusted operating profit (EBIT) decreased by -3.0% to EUR 4.7 million (4.8), or 3.3% (3.7) of revenue
- Operating profit (EBIT) decreased by -3.1% to EUR 4.6 million (4.8), or 3.2% (3.7) of revenue
- Earnings per share were EUR 0.08 (0.08)
- Like-for-like showroom revenue decline was -4.4% (8.8)

CEO Juha Kalliokoski:

“During the first quarter, our revenue increased by 11.1%, totaling EUR 143.0 million.

Our company's international development was strong. In Sweden, we grew by 38.6% and our revenue totaled EUR 33.4 million, with Germany's corresponding figures at 66.6% and EUR 10.8 million.

In Finland, we grew by 4.7%, with our revenue totaling EUR 108.3 million. Although our growth was slightly slower than usual, we believe that we have further increased our market share in Finland. Our gross profit increased by 8.9% to EUR 13.5 million. Our operating profit in Finland was close to last year's level totaling EUR 5.9 million, since we invested in future growth.

Our profitability was close to last year's level, with our adjusted operating profit totaling EUR 4.7 million. Our gross profit was EUR 16.6 million (14.6) and gross profit margin increased to 11.6% (11.3). Due to investments in future growth operating profit margin decreased and was 3.2% (3.7). We invested as planned in Kamux's brand building, IT-systems and personnel, with a special focus on competence development and recruitment methods. We are working actively towards improving our profitability and turning the sales growth of like-for-like showrooms positive.

Public discussion around power sources picked up in Finland before the parliamentary election. Consumers' uncertainty affected used car sales, resulting in consumers postponing the purchase or trade of cars. However, the need for mobility has remained unchanged and Kamux's operating model works well despite the market situation, as evidenced by our results from the first quarter.

During the first quarter, we opened three new showrooms in Finland and two new showrooms in Sweden. In addition, we have announced the opening of four new showrooms.

We appointed Marko Lehtonen as the company's CFO and member of the Group's Management Team on March 14, 2019. Lehtonen will start in his new position on June 17, 2019 at the latest.”

Outlook and financial targets

Kamux does not provide a short-term outlook. The company's medium-term financial targets for 2019–2022 are to increase revenue by over 10% annually and to reach an operating profit margin of at least 4%.

Key figures

EUR million	1–3/2019**	1–3/2018	Change, %	1–12/2018
Revenue	143.0	128.7	11.1%	527.8
Gross profit	16.6	14.6	13.7%	64.9
as percentage of revenue, %	11.6%	11.3%		12.3%
Operating profit (EBIT)	4.6	4.8	-3.1%	18.9
as percentage of revenue, %	3.2%	3.7%		3.6%
Adjusted operating profit*	4.7	4.8	-3.0%	21.9
as percentage of revenue, %	3.3%	3.7%		4.1%
Revenue from integrated services	7.1	6.1	16.5%	27.1
as percentage of revenue, %	5.0%	4.7%		5.1%
Number of cars sold	12,187	11,379	7.1%	46,596
Gross profit per sold car, EUR	1,362	1,283	6.2%	1,392
Sales growth of like-for-like showrooms, %	-4.4%	8.8%		5.6%
Net debt	50.1	6.4	681.8%	9.6
Inventories	70.4	56.5	24.5%	71.0
Inventory turnover, days	48.6	45.6	6.7%	49.6
Capital expenditures	0.4	0.2	91.5%	1.3
Average number of employees during the period	553	437	26.5%	472
Return on equity (ROE), %	22.0%	26.2%		22.9%
Return on investment (ROI), %	12.9%	18.8%		16.2%
Equity ratio, %	45.6%	58.9%		60.0%
Earnings per share, basic, EUR	0.08	0.08	4.1%	0.37

* Operating profit adjusted for special items related to strategy planning, strategy implementation, geographical expansion and during comparative year also taxes from previous financial years, totaling EUR 0.0 million for the first quarter of 2019 (1–3/2018: EUR 0.0 million and 1–12/2018: EUR 3.0 million).

** Key figures 1–3/2019 include the effects of adoption of IFRS 16 Leases standard. Excluding IFRS 16 effects the comparable figures in 1–3/2019 were: Operating profit (EBIT) EUR 4.7 million, Adjusted operating profit EUR 4.7 million, Net debt EUR 10.1 million, Return on equity (ROE) 22.2%, Return on investment (ROI) 16.0% and Equity ratio 61.6%.

Market review

Kamux estimates that it increased its market share in the sales of used cars in Finland in the first quarter of 2019. In Finland, public discussion on power sources and environmental effects picked up before the parliamentary election. There was uncertainty among many car buyers, which was reflected in a decline in the used cars market during the first quarter.

In Sweden, the company estimates that its market share increased during the first quarter and thus its position continued to strengthen among the ten largest used car sellers. According to Kamux's estimate, the market for used cars in Sweden declined during the first quarter.

According to the company's estimates, Kamux's market share of the used car market in Germany grew in the first quarter. It is, however, still very small. According to Kamux's estimate, the used car market in Germany remained unchanged during the first quarter.

Kamux estimates the used car market sizes in 2018 in the countries in which Kamux operates to have been the following: approximately 0.5 million cars sold yearly in Finland, approximately 1.2 million cars in Sweden, and approximately 7.2 million cars in Germany.

Revenue in January–March 2019

Revenue increased by 11.1% compared to the corresponding period of the previous year and amounted to EUR 143.0 million (128.7). The increase in revenue was driven by the opening of new showrooms. The growth was fully organic. Kamux's integrated services revenue increased to EUR 7.1 million (6.1), or 5.0% (4.7) of total revenue.

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 7.1% compared to the corresponding period of the previous year and amounted to 12,187 cars (11,379). Revenue per sold car amounted to EUR 11,733 (11,310).

Revenue allocation

EUR million	1–3/2019	1–3/2018	1–12/2018
Sales of used cars	135.9	122.6	500.8
Financing fees and Insurance commissions	5.9	5.1	22.7
Sales of Kamux Plus	1.2	1.0	4.3
Total	143.0	128.7	527.8

Result in January–March 2019

Gross profit increased by 13.7% compared to the corresponding period of the previous year and amounted to EUR 16.6 million (14.6). Gross profit increased across all segments. Gross profit as percentage of revenue increased by 0.3 percentage points to 11.6% (11.3).

The adjusted operating profit decreased by -3.0% and amounted to EUR 4.7 million (4.8). The adjusted operating profit as percentage of revenue was 3.3% (3.7). The adjusted operating profit has been adjusted for special items related to strategic planning, implementation of the strategy, geographical expansion and during the comparative year also special items related to taxes from previous financial years. The items adjusting the operating profit totaled EUR 0.0 million (0.0) in the first quarter.

Kamux's operating profit decreased -3.1% compared to the previous year, amounting to EUR 4.6 million (4.8). Excluding the effect of IFRS 16 the operating profit decreased -2.7% and amounted to EUR 4.7 million (4.8). Decrease of the operating profit was due to investments in future growth. Our investments were directed to brand building, IT-systems and personnel, with a special focus on competence development and recruitment methods.

The profit before taxes for the first quarter amounted to EUR 4.1 million (4.1). Earnings per share amounted to EUR 0.08 (0.08). By comparable figures without IFRS 16 effect the profit before taxes amounted to EUR 4.2 million (4.1).

Key figures of the business segments

EUR million	1–3/2019	1–3/2018	Change, %	1–12/2018
Revenue				
Finland	108.3	103.5	4.7%	419.1
Sweden	33.4	24.1	38.6%	101.9
Germany	10.8	6.5	66.6%	30.1
Segments total	152.5	134.0	13.8%	551.1
Group functions and eliminations	-9.6	-5.3	-78.7%	-23.3
Total	143.0	128.7	11.1%	527.8
Gross Profit				
Finland	13.5	12.4	8.9%	54.3
Sweden	2.4	1.7	36.9%	8.3
Germany	0.7	0.4	57.2%	2.2
Segments total	16.6	14.6	13.7%	64.9
Group functions and eliminations	-	-	-	-
Total	16.6	14.6	13.7%	64.9
Gross profit, as percentage of revenue, %				
Finland	12.5%	12.0%		13.0%
Sweden	7.1%	7.2%		8.2%
Germany	6.6%	7.0%		7.3%
Segments total	10.9%	10.9%		11.8%
Group functions and eliminations	-	-		-
Total	11.6%	11.3%		12.3%
Operating profit				
Finland	5.9	6.0	-2.0%	24.1
Sweden	0.2	0.1	66.7%	0.9
Germany	-0.4	-0.5	8.1%	-1.8
Segments total	5.7	5.7	0.0%	23.2
Group functions and eliminations	-1.1	-0.9	-15.6%	-4.3
Total	4.6	4.8	-3.1%	18.9
Operating profit, as percentage of revenue, %				
Finland	5.5%	5.8%		5.8%
Sweden	0.7%	0.5%		0.9%
Germany	-3.9%	-7.0%		-6.1%
Segments total	3.8%	4.3%		4.2%
Group functions and eliminations	-	-		-
Total	3.2%	3.7%		3.6%

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

%	1-3/2019	1-3/2018	1-12/2018
Financing services			
Finland	48	47	46
Sweden	45	47	46
Germany	21	20	21
Insurance services			
Finland	47	47	45
Sweden	93	91	91
Kamux Plus			
Finland	19	18	19
Sweden	24	28	26

Finland in January–March 2019

Revenue increased by 4.7% compared to the corresponding period of the previous year, amounting to EUR 108.3 million (103.5). The number of cars sold increased by 351, or 3.8% compared to the first quarter of the previous year, amounting to 9,688 cars (9,337). The growth was based on the sales of new showrooms- The sales of like-for-like showrooms decreased. During the first quarter, Kamux opened new showrooms in Oulu, Limingantulli, in Nurmijärvi, Klaukkala, and in Kajaani. The Jyväskylä showroom expanded to utility vehicle sales at the turn of the month March–April.

Integrated services revenue increased to EUR 6.3 million (5.5), or 5.8% (5.3) of revenue. Operating profit decreased by -2.0% compared to the corresponding period of the previous year, amounting to EUR 5.9 million (6.0), or 5.5% (5.8) of revenue. Excluding the effect of IFRS 16 the operating profit was at previous year's level amounting EUR 6.0 million.

Sweden in January–March 2019

Total revenue increased by 38.6% compared to the corresponding period of the previous year, amounting to EUR 33.4 million (24.1). External revenue increased by 29.5% amounting to EUR 24.7 million (19.1). The number of cars sold during the first quarter increased by 206, or 13.3% compared to the first quarter of the previous year, amounting to 1,753 cars (1,547). The growth was driven by the sales of new showrooms and the sales growth of like-for-like showrooms. During the first quarter, Kamux opened new showrooms in Karlskrona and Norrtälje. The opening of Göteborg showroom has been delayed due to the city's plan and permit processes.

Revenue of the integrated services increased to EUR 0.6 million (0.5), or 2.4% (2.7) of external revenue. Operating income increased compared to the corresponding period of the previous year, amounting to EUR 0.2 million (0.1), or 0.7% (0.5) of total revenue. Adoption of IFRS 16 had no effect on operating profit.

Germany in January–March 2019

Total revenue increased by 66.6% compared to the corresponding period of the previous year, amounting to EUR 10.8 million (6.5). External revenue increased by 61.5% amounting to EUR 9.9 million (6.1). The number of cars sold during the first quarter increased by 251, or 50.7% compared to the first quarter of the previous year, amounting to 746 cars (495). Growth was driven by sales

growth in like-for-like showrooms as well as new showrooms. During the first quarter Kamux announced the opening of a new showroom in Tostedt in summer 2019.

Integrated services revenue increased to EUR 0.2 million (0.1), or 2.4% (1.4) of external revenue. Operating loss decreased compared to the corresponding period of the previous year, amounting to EUR -0.4 million (-0.5), or -3.9% (-7.0) of total revenue. The adoption of IFRS 16 had no material effect on operating loss.

Consolidated balance sheet and financial position

As of March 31, 2019, the consolidated balance sheet total was EUR 158.4 million (105.2), of which total equity amounted to EUR 72.1 million (61.9). Comparable consolidated balance sheet total without IFRS 16 effect amounted to EUR 118.4 million (105.2). The amount of net debt was EUR 50.1 million (6.4). Comparable amount of net debt without IFRS 16 effect was EUR 10.1 million (6.4). Non-current bank loans amounted to EUR 17.9 million (20.9).

Kamux has entered into a five-year credit facility agreement of EUR 50 million with Nordea Bank AB (publ), Finnish Branch. The facility agreement includes a five-year term loan of EUR 30 million and a revolving credit facility of EUR 20 million. In addition to the revolving facility, Kamux has a lease guarantee facility of EUR 0.4 million. At the end of the reporting period, EUR 20.9 million of the term-loan was in use. The term loan is currently repaid in bi-annual installments of EUR 1.5 million.

Net working capital amounted to EUR 65.2 million (51.6) as of March 31, 2019. The value of the inventory was EUR 70.4 million (56.5).

Kamux's cash flow from operating activities in January–March 2019 amounted to EUR 1.4 million (1.2). Comparable cash flow from operating activities without IFRS 16 effect amounted to EUR -0.3 million. After adoption of IFRS 16 the operating cash flow is higher, as cash payments for the principal portion of the lease liability are classified within financing activities. Only that part of the payments which reflects interest continues to be presented as operating cash flow. Cash and cash equivalents at the end of the period amounted to EUR 10.9 million (17.5).

Equity ratio at the end of the period was 45.6% (58.9). Return on capital employed (ROI) was 12.9% (18.8) and return on equity (ROE) was 22.0% (26.2). The decrease in equity ratio and return on capital employed was driven by growth in the consolidated balance sheet resulting from the adoption of the IFRS 16 Leases standard. In comparable terms without IFRS 16 effect, equity ratio amounted to 61.6% (58.9), ROI amounted to 16.0% (18.8) and ROE amounted to 22.2% (26.2) at the end of the review period.

Capital expenditure, research and development

Kamux's capital expenditure for January–March 2019 amounted to EUR 0.4 million (0.2), consisting mainly of IT systems and ordinary maintenance in the showrooms. Kamux's research and development costs are mainly related to further development of the company's retail concept and improving its business processes.

During the first quarter of 2019, Kamux's capital expenditures relate to the opening of new showrooms, such as refurbishment, equipment and fixtures, as well as digitalization projects, such as a CRM/ERP system, analytics, information management and financial administration systems. The company finances these investments with its existing cash and cash equivalents, as well as cash flow from operations.

Personnel

In January–March 2019, Kamux's average number of employees amounted to 553 (437) in terms of full-time employees. Recruitment of new personnel is continued to support Kamux's growth.

Average number of employees by segment

	1-3/2019	1-3/2018	1-12/2018
Finland	403	337	362
Sweden	107	71	80
Germany	43	29	30
Total	553	437	472

Kamux's share and shareholders

Kamux's largest shareholders as of March 31, 2019 were Intera Fund II Ky (29.4%), Juha Kalliokoski (14.1%), and Elo Mutual Pension Insurance Company (8.2%).

During January–March 2019, 2,215,925 (254 675) Kamux shares were traded on the Nasdaq Helsinki main market. The highest share price during the period was EUR 6.20 (7.48), and the lowest price was EUR 5.52 (6.60). The closing share price on March 29, 2019 was EUR 5.98 (6.80). Kamux's volume weighted average share price during January–March was EUR 5.81 (7.09). Market capitalization measured at the review period's closing price was EUR 239.3 million (271.9).

Kamux's share capital amounted to EUR 80,000 on March 31, 2019, and the number of shares was 40,017,420. On March 1, 2019, the company issued a total of 30,126 new shares in a share issue without consideration directed to the key personnel of the Kamux Group for payment of share-based incentive scheme 2018. The new shares were registered in the Finnish Trade Register on March 14, 2019. The Company does not hold any treasury shares.

Management and Corporate Governance

At the end of the review period, Kamux's management team included Juha Kalliokoski, CEO; Tapio Arimo, CFO; Olli Kilpi, Director of International Business; Tero Törmänen, Purchasing Director; Tommi Iiskonmäki, Country Director, Finland; Satu Ojala, Director of Communications; Mikko-Heikki Inkeroinen, Chief Digital Officer; Ilkka Virtanen, Director of Business Development, and Jennie Stenbom, Chief People Officer.

Kamux appointed Marko Lehtonen as the company's new CFO and member of the Group's Management Team on March 14, 2019. Lehtonen will start in his new position on June 17, 2019 at the latest. Former Kamux CFO Tapio Arimo left his position after the review period on April 12, 2019.

Share-based incentive scheme

On January 23, 2019, the Board of Directors of Kamux Corporation decided to approve the detailed terms and conditions of the share-based incentive scheme for the Group's key personnel for 2019. The incentive scheme now approved for 2019 is the second scheme approved on the basis of the decision made by the Board of Directors on 27 April 2017 to establish an incentive scheme. The general terms and conditions of the scheme were described and published in a separate stock exchange release on January 23, 2019. The entire scheme is accounted for as an equity-settled payment with net settlement features. The earnings period for the scheme is the

calendar year 2019, followed by a two-year commitment period. The fair value of the scheme was determined on the grant date. The fair value of the scheme is expensed during the three years until the end of the commitment period. During January–March 2019, the total effect of the schemes on the consolidated income was EUR -0.1 million (-0.0).

Decisions of the Annual General Meeting and the Constitutive Meeting of the Board of Directors

Decisions of the Annual General Meeting

Kamux Corporation's Annual General Meeting was held on Friday April 12, 2019. The Meeting approved the Financial Statements and discharged the members of the Board of Directors and CEO from liability for the year of 2018. The Board of Directors proposal for a dividend of EUR 0.16 per share was approved. The record date for dividend payments was April 16, 2019 and the dividend was paid on April 25, 2019.

The Annual General Meeting confirmed that the Board of Directors will consist of six members and Mr. Matti Virtanen, Ms. Reija Laaksonen, Mr. David Nuutinen, Mr. Jokke Paananen, Mr. Vesa Uotila and Mr. Harri Sivula were re-elected as members of the Board of Directors. The Annual General Meeting elected Mr. Matti Virtanen as the Chairman of the Board and Mr. Harri Sivula as the Vice Chairman of the Board.

The Annual General Meeting resolved a monthly compensation of EUR 3,000 be paid for the Chairman of the Board and EUR 1,700 for the Board Members, and an additional compensation of EUR 1,500 per year to the Board members belonging to a committee. Travel expenses will be reimbursed in accordance with the Company's travel policy.

Authorized Public Accountant PricewaterhouseCoopers Oy was re-elected as the company's auditor. 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.

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. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive right (directed issue). The authorization cancels previous unused authorizations regarding share issues despite the part of the previously given authorization that has been given for the Company's share-based incentive schemes. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until June 30, 2020.

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 is valid until the closing of the next Annual General Meeting, however, no longer than until June 30, 2020. 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 establish an Audit Committee. The Board reappointed Mr. Harri Sivula (Chairman), Ms. Reija Laaksonen and Mr. Vesa Uotila as the members of the Audit Committee.

The Board assessed the independence of the directors in accordance with the Finnish Corporate Governance Code. It was concluded that Ms. Reija Laaksonen, Mr. David Nuutinen and Mr. Harri Sivula are independent of the company and its significant shareholders, Mr. Jokke Paananen and Mr. Vesa Uotila are independent of the company, and Mr. Matti Virtanen is independent of the significant shareholders of the company.

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 12, 2019.

Financial targets

On January 29, 2019, Kamux Corporation updated its medium-term financial targets for 2019–2022. The company's medium-term financial targets are to increase revenue by over 10% annually and to reach an EBIT margin of at least 4% and a dividend payout of at least 30% of profit for the year.

Tax reassessment decision

In June, 2018 Kamux published 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 considers the decision to be unfounded and appealed against the decision. The status of the tax reassessment appeal remains unresolved.

Short-term risks and uncertainties

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

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 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'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 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

April 8, 2019: Kamux announced the opening of a new showroom in Helsingborg in summer 2019.

April 12, 2019: Kamux CFO Tapio Arimo left his position. Group Controller Milla Kärpänen will serve as the temporary CFO until the new CFO, Marko Lehtonen, will start in his position on June 17, 2019 at the latest.

April 16, 2019: Kamux announced the opening of a new showroom in Forssa in June 2019.

April 23, 2019: Kamux announced that it will move to new premises in Vaasa in October 2019.

May 9, 2019: Kamux announced the opening of a new showroom in Heide in Germany during the early autumn 2019.

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	1–3/2019	1–3/2018	1–12/2018
Operating profit (EBIT)	4.6	4.8	18.9
Strategic investigations	-	-	0.4
Special items relating to geographical expansion	0.0	0.0	0.1
Taxes related to previous financial years	-	-	2.5
Total adjustment items	0.0	0.0	3.0
Adjusted operating profit	4.7	4.8	21.9

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 costs relating to the special items relating to strategic planning and strategy implementation, special items relating to geographical expansion of business and also on comparative year for 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 2019

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 2018, as well as on the new and amended IFRS standards described in the financial statements for the year 2018. 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 2018. This Interim Report applies the same accounting principles as the consolidated financial statements, with the exception of the new and amended standards described below, adopted at the beginning of the financial year.

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. 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 2018.

The Interim Report is unaudited.

IFRS 16 Leases

IFRS 16 was effective for accounting periods beginning on or after January 1, 2019, and Kamux adopted the standard on its effective date. Kamux adopted IFRS 16 using the modified retrospective transition approach. Figures of comparative years are not restated but to retain the comparability between 2018 and 2019 figures, Kamux discloses additional information about the effects of IFRS 16 on 2019 figures.

In accordance with IFRS 16, Kamux recognizes almost all leases on the balance sheet. The standard removed the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. Kamux applies an optional exemption that exists for short-term and low-value leases.

In IFRS 16 implementation project Kamux adjusted accounting processes to meet IFRS 16 requirements and improved controls. Kamux implemented a lease agreement administration and calculation system which was taken into use in the beginning of year 2019. The standard has a significant effect on Kamux's consolidated financial statements since Kamux has leased many showrooms and office premises from third parties for periods longer than one year and by cancellable contracts. The amount of leased assets and corresponding lease liabilities increased the consolidated balance sheet total by 33% or EUR 38.3 million at the date of transition January 1, 2019. Kamux has prepared a preliminary assessment of the total effects of adopting the IFRS 16 standard in its consolidated financial statements for 2019. Kamux expects that during 2019, key figures based on balance sheet will change. During 2019, the change will also have effect on Kamux's statement of comprehensive income because in the new method, the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, lease payment in operating expenses is replaced with interest and depreciation, and consequently key figures such as EBITDA and operating profit changes. Kamux currently estimates that the adoption of IFRS 16 is expected to improve significantly EBITDA but is not expected to have a significant impact on operating profit in year 2019.

Consolidated statement of comprehensive income

EUR million	1–3/2019*	1–3/2018	1–12/2018
Revenue	143.0	128.7	527.8
Other operating income	0.2	0.2	0.9
Materials and services	-126.6	-114.3	-463.8
Personnel costs	-7.3	-6.2	-26.8
Other operating expenses	-2.6	-3.3	-17.9
Depreciation and amortization	-2.1	-0.3	-1.2
Operating profit	4.6	4.8	18.9
Finance income and costs	-0.5	-0.7	0.4
Profit before income tax	4.1	4.1	19.4
Income tax	-1.0	-1.0	-4.7
Profit for the period	3.2	3.0	14.6
Other comprehensive income			
Items that maybe subsequently reclassified to profit or loss			
Translation differences	-0.0	-0.1	-0.1
Other comprehensive income for the period, net of tax	-0.0	-0.1	-0.1
Total comprehensive income for the period	3.1	3.0	14.6
Profit for the period attributable to owners of the Company	3.2	3.0	14.6
Total comprehensive income for the period attributable to owners of the Company	3.1	3.0	14.6
Earnings per share for profit attributable to owners of the Company			
Earnings per share, basic and diluted, EUR	0.08	0.08	0.37

* Includes the effects of adoption of IFRS 16 Leases standard. Excluding IFRS 16 the comparable figures in 1–3/2019 were: Other operating expenses EUR -4.3 million, Depreciation and amortization EUR -0.3 million and Finance income and expenses EUR -0.4 million. Comparable Operating profit 1–3/2019 was EUR 4.7 million and Profit for the period was EUR 3.2 million.

Consolidated balance sheet

EUR million	Mar 31, 2019*	Mar 31, 2018	Dec 31, 2018
ASSETS			
Non-current assets			
Intangible assets	1.1	1.1	1.1
Goodwill	13.6	13.6	13.6
Property, plant and equipment	1.9	1.7	1.8
Lease assets	39.9	-	-
Other receivables	0.1	0.1	0.1
Deferred tax assets	0.4	0.4	0.4
Total non-current assets	57.0	16.8	16.9
Current assets			
Inventories	70.4	56.5	71.0
Trade and other receivables	19.9	14.4	13.7
Derivative financial instruments	0.2	-	0.6
Cash and cash equivalents	10.9	17.5	12.8
Total current assets	101.4	88.4	98.1
TOTAL ASSETS	158.4	105.2	115.0
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	-0.1	-0.0	-0.0
Retained earnings	44.2	34.2	29.5
Profit for the period	3.2	3.0	14.6
Total equity attributable to owners of the Company	72.1	61.9	68.9
Non-current liabilities			
Borrowings	17.9	20.9	19.4
Lease liabilities	32.7	-	-
Other non-current liabilities	0.2	-	0.2
Provisions	0.4	0.4	0.4
Total non-current liabilities	51.2	21.2	20.0
Current liabilities			
Borrowings	3.0	3.0	3.0
Lease liabilities	7.3	-	-
Derivative financial instruments	-	0.4	-
Trade and other payables	22.5	16.1	20.7
Provisions	2.2	2.5	2.2
Current income tax liabilities	0.1	0.1	0.3
Total current liabilities	35.1	22.0	26.1
Total liabilities	86.3	43.3	46.1
TOTAL EQUITY AND LIABILITIES	158.4	105.2	115.0

* Includes the effects of adoption of IFRS 16 Leases standard in March 31, 2019. Excluding IFRS 16 effects the comparable figures were on March 31, 2019: Non-current assets EUR 17.1 million, Non-current liabilities EUR 18.5 million, Current liabilities EUR 27.8 million and Balance sheet total EUR 118.4 million.

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, 2019	0.1	24.7	-0.0	-	44.1	68.9
Profit for the period					3.2	3.2
Other comprehensive income			-0.0			-0.0
Total comprehensive income			-0.0		3.2	3.1
Transactions with owners:						
Share-based payments					0.1	0.1
Equity at Mar 31, 2019	0.1	24.7	-0.1	-	47.3	72.1
Equity at Jan 1, 2018	0.1	24.6	0.0	-8.1	42.3	58.9
Profit for the period					3.0	3.0
Other comprehensive income			-0.1			-0.1
Total comprehensive income			-0.1		3.0	3.0
Transactions with owners:						
Cancellation of treasury shares		0.1		8.1	-8.2	-
Share-based payments					0.0	0.0
Equity at Mar 31, 2018	0.1	24.6	-0.0	-	37.2	61.9

Consolidated statement of cash flows

EUR million	1-3/2019*	1-3/2018	1-12/2018
Cash flows from operating activities			
Profit for the period	3.2	3.0	14.6
Adjustments for:			
Depreciation and amortization	2.1	0.3	1.2
Finance income and costs	0.5	0.7	-0.4
Change in provisions	0.0	0.2	-0.0
Write-down of inventories	-0.0	0.1	0.1
Income taxes	1.0	1.0	4.7
Other non-cash items	0.1	0.0	0.1
Changes in working capital:			
Change in trade receivables and other receivables	-6.2	-1.5	-0.9
Change in trade payables and other payables	1.8	0.6	5.1
Change in inventories	0.4	-1.8	-16.3
Interests paid	-0.2	-0.1	-0.5
Other financial items, net	-0.1	-0.0	-0.1
Income taxes paid	-1.2	-1.4	-4.9
Net cash inflow (outflow) from operating activities	1.4	1.2	2.7
Cash flows from investing activities			
Investments in property, plant and equipment	-0.2	-0.1	-0.7
Investments in intangible assets	-0.2	-0.1	-0.6
Net cash inflow (outflow) from investing activities	-0.4	-0.2	-1.3
Cash flows from financing activities			
Repayments of bank loans	-1.5	-1.5	-3.0
Repayments of lease liabilities	-1.6	-	-
Dividends paid	-	-	-4.8
Other cash flows from financing activities	0.1	-	0.3
Net cash inflow (outflow) from financing activities	-3.0	-1.5	-7.5
Net decrease/increase in cash and cash equivalents	-2.0	-0.6	-6.1
Cash and cash equivalents at the beginning of the period	12.8	18.1	18.1
Effects of exchange rate changes on cash and cash equivalents	0.1	-0.0	0.8
Cash and cash equivalents at the end of period	10.9	17.5	12.8

* Includes the effects of adoption of IFRS 16 Leases standard. Excluding IFRS 16 the comparable figures in 1-3/2019 were: Net cash inflow (outflow) from operating activities EUR -0.3 million and Net cash inflow (outflow) from financing activities EUR -1.4 million.

Earnings per share

	1–3/2019	1–3/2018	1–12/2018
Profit for the period attributable to Owners of the Company (EUR million)	3.2	3.0	14.6
Weighted average number of shares outstanding during the period, basic, in thousands of shares	39,993	39,987	39,987
Earnings per share, basic (EUR)	0.08	0.08	0.37
Impact of unregistered share issue on number of shares	28	-	9
Weighted average number of shares outstanding during the period, fully diluted, in thousands of shares	40,021	39,987	39,996
Earnings per share, fully diluted (EUR)	0.08	0.08	0.37

Segments

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
1–3/2019*							
Revenue	108.3	33.4	10.8	152.5		-9.6	143.0
internal	0.0	8.7	0.8	9.6		-9.6	-0.0
external	108.3	24.7	9.9	143.0			143.0
sales of used cars	102.1	24.1	9.7	135.9			135.9
integrated services	6.3	0.6	0.2	7.1			7.1
Gross profit	13.5	2.4	0.7	16.6			16.6
EBITDA	7.4	0.6	-0.2	7.8	-1.1		6.7
Depreciation and amortization	-1.5	-0.4	-0.2	-2.1	-0.0		-2.1
Operating profit	5.9	0.2	-0.4	5.7	-1.1		4.6
Finance income and costs							-0.5
Profit before income tax							4.1

* Includes the effects of IFRS 16 Leases -standard. Excluding IFRS 16 the comparable EBITDA, Depreciation and amortization and Operating profit 1–3/2019 were as follows (EUR million):

EBITDA: Finland 6.2, Sweden 0.3, Germany -0.4 and Group 5.0.

Depreciation and amortization: Finland -0.2, Sweden -0.0, Germany -0.0 and Group -0.3.

Operating profit: Finland 6.0, Sweden 0.2, Germany -0.4 and Group 4.7.

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
1–3/2018							
Revenue	103.5	24.1	6.5	134.0		-5.3	128.7
internal		5.0	0.3	5.3		-5.3	
external	103.5	19.1	6.1	128.7			128.7
sales of used cars	98.0	18.6	6.1	122.6			122.6
integrated services	5.5	0.5	0.1	6.1			6.1
Gross profit	12.4	1.7	0.4	14.6			14.6
EBITDA	6.3	0.2	-0.4	6.0	-0.9		5.1
Depreciation and amortization	-0.2	-0.0	-0.0	-0.3	-0.0		-0.3
Operating profit	6.0	0.1	-0.5	5.7	-0.9		4.8
Finance income and costs							-0.7
Profit before income tax							4.1

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
1–12/2018							
Revenue	419.1	101.9	30.1	551.1		-23.3	527.8
internal	0.0	21.6	1.6	23.3		-23.3	
external	419.1	80.3	28.4	527.8			527.8
sales of used cars	395.0	78.0	27.7	500.8			500.8
integrated services	24.0	2.3	0.8	27.1			27.1
Gross profit	54.3	8.3	2.2	64.9			64.9
EBITDA	25.1	1.1	-1.7	24.5	-4.3		20.2
Depreciation and amortization	-1.0	-0.1	-0.1	-1.2	-0.0		-1.2
Operating profit	24.1	0.9	-1.8	23.2	-4.3		18.9
Finance income and costs							0.4
Profit before income tax							19.4

Net working capital

EUR million	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Inventories	70.4	56.5	71.0
Trade and other receivables	19.9	14.4	13.7
Trade and other payables	-22.5	-16.5	-20.7
Provisions	-2.5	-2.8	-2.5
Current income tax liabilities	-0.1	-0.1	-0.3
Net working capital	65.2	51.6	61.2

Net debt

EUR million	Mar 31, 2019*	Mar 31, 2018	Dec 31, 2018
Non-current interest-bearing liabilities			
Bank loans	17.9	20.9	19.4
Lease liabilities	32.7	-	-
Total non-current interest-bearing liabilities	50.6	20.9	19.4
Current interest-bearing liabilities			
Bank loans	3.0	3.0	3.0
Bank overdrafts	-	-	-
Lease liabilities	7.3	-	-
Total current interest-bearing liabilities	10.3	3.0	3.0
Total interest-bearing liabilities	61.0	23.9	22.4
Less cash and cash equivalents	-10.9	-17.5	-12.8
Net debt	50.1	6.4	9.6

* Includes the effects of adoption of IFRS 16 Leases standard in March 31, 2019. Excluding IFRS 16 effects the comparable Net debt on March 31, 2019 was EUR 10.1 million.

Derivatives

EUR million	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Foreign currency derivatives			
Fair value	0.2	-0.4	0.6
Value of underlying instrument	40.5	15.9	29.2

Lease agreements, lease obligations and other commitments

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases

EUR million	Mar 31, 2019*	Mar 31, 2018	Dec 31, 2018
No later than 1 year	0.6	7.3	9.4
Later than 1 year and no later than 5 years	0.6	13.3	20.8
Later than 5 years	-	0.7	2.6
Total	1.2	21.4	32.8

* Due to adoption of IFRS 16 the operating lease commitments on Mar 31, 2019 include only lease agreements not in the scope of IFRS 16.

Loans against which guarantees and mortgages have been given

EUR million	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Loans	20.9	23.9	22.4
guarantees given against loans	104.0	104.0	104.0

Other commitments

EUR million	Mar 31, 2019	Mar 31, 2018	Dec 31, 2018
Rent and other payment guarantees	0.5	0.3	0.4

On January 1, 2019 Kamux adopted IFRS 16 Leases standard. Following tables include additional information on IFRS 16 effects at the adoption date and during the reporting period.

Reconciliation of lease obligations and present value of minimum lease payments in accordance with IFRS 16

EUR million	
The future minimum lease payments under non-cancellable operating leases on December 31, 2018	32.8
Estimate of the lease period under IFRS 16	14.6
Discounting of future lease payments	-1.5
VAT	-6.1
Service components included into agreements	-1.1
Short-term leases	-0.4
Other items	-0.1
Lease liability under IFRS 16 recognized into balance sheet on January 1, 2019	38.3

Changes of lease agreements in the balance sheet

EUR million	Lease assets	Lease liabilities
Jan 1, 2019	38.3	38.3
Increases	3.5	3.5
Depreciation	-1.8	-
Exchange rate differences and other changes	-0.2	-0.1
Interest expenses	-	-0.1
Repayments of lease liability	-	-1.6
Mar 31, 2019	39.9	40.0

Changes of lease agreements in the statement of comprehensive income

EUR million	1–3/2019
Depreciation of lease assets	-1.8
Interest cost from lease liabilities	-0.1
Costs from short-term leases	-0.1
Costs from service components included in lease agreements	-0.1
Total expense in the statement of comprehensive income	-2.0

Related party transactions

EUR million	1–3/2019	1–3/2018	1–12/2018
Sales of used cars	0.1	-	0.1
Purchases of used cars	-0.0	-0.0	-0.1
Rental expenses	-	-0.1	-0.5
Consulting expenses	-0.0	-0.0	-0.1

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.

Rental expenses consist of lease payments for showrooms owned by the Group's CEO, his immediate family members and companies under their control. As from January 1, 2019 these lease agreements are treated in accordance with IFRS 16. At the end of the reporting period, the Group's lease liabilities to related party amounted to EUR 4.3 million. Consulting expenses comprise consultancy fees paid to Virtanen Consulting GmbH, controlled by Matti Virtanen. The fees are related to the Group's geographical expansion.

On March 1, 2019, the company issued a total of 14,721 new shares in a share issue without consideration directed to members of the company's management for payment of share-based incentive scheme 2018. The shares were registered in the Finnish Trade Register on March 14, 2019.

Publication schedule for financial reporting in 2019

Publication schedule for Kamux Corporation's financial reporting in 2019:

August 23, 2019: Kamux Corporation will publish its Half-Yearly Report for January–June 2019.

November 8, 2019: Kamux Corporation will publish its Interim Report for January–September 2019.

Interim Report press conference and webcast

Kamux will hold an Interim Report press conference for media and analysts today, May 10, 2019 at hotel GLO Kluuvi, Video Wall meeting room, address Kluuvikatu 4, Helsinki, at 11:00 (Finnish time) in Finnish and then in English at around 11:30. You can follow the press conference live through a link at <http://www.kamux.com/en/releases-and-publications/reports-and-presentations/>. The Interim Report will be presented by CEO Juha Kalliokoski and Interim CFO, Group Controller Milla Kärpänen.

In Hämeenlinna on May 10, 2019

Kamux Corporation

The Board of Directors

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