

# HALF YEAR FINANCIAL REPORT

January—June 2017



Kamux Corporation

Half Year Financial Report

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Kamux Corporation's Half Year Financial Report for January–June 2017

**KAMUX'S PROFITABLE GROWTH CONTINUED IN LINE WITH STRATEGY****Second quarter in brief**

- The number of cars sold increased by 6.7% to 9,882 cars (4–6/2016: 9,258)
- Revenue increased by 5.7%, totaling EUR 109.2 million (103.3)
- Gross profit increased by 4.4% to EUR 13.0 million (12.4) or 11.9% (12.0) of revenue
- Adjusted operating profit (EBIT) decreased by 6.2% to EUR 4.5 million (4.8), or 4.1% (4.6) of revenue
- Operating profit (EBIT) decreased by 13.5% to EUR 3.5 million (4.0), or 3.2% (3.9) of revenue
- Earnings per share were EUR 0.06 (0.08)
- Sweden's operating profit (EBIT) increased to EUR 0.0 million (-0.2), or 0.2% (-1.1) of revenue
- Kamux listed on the Nasdaq Helsinki main market in May 2017

**January–June in brief**

- The number of cars sold increased by 10.1% to 19,580 cars (1–6/2016: 17,781)
- Revenue increased by 9.0%, totaling EUR 218.4 million (200.3)
- Gross profit increased by 4.9% to EUR 25.5 million (24.3) or 11.7% (12.2) of revenue
- Adjusted operating profit (EBIT) decreased by 0.6% to EUR 9.1 million (9.2), or 4.2% (4.6) of revenue
- Operating profit (EBIT) decreased by 13.5% to EUR 6.9 million (8.0), or 3.2% (4.0) of revenue
- Earnings per share were EUR 0.13 (0.15)

**CEO Juha Kalliokoski:**

“Kamux continued to execute its strategy of profitable growth and internationalization. I am especially pleased with our development in Sweden, which turned positive during the second quarter. We focused on developing our processes in Sweden during the first half and our positive development there shows that our actions have been effective and we are on the right path.

In Germany we continued our very strong growth, which proves that our concepts works also in Germany's used car market. In Germany we continued to focus on the Kamux way of working.

Our operating environment in Finland was challenging during the first half. This was due to the uncertainty caused by the road transport report published by the Ministry of Transport and Communications and increase in used car inventory levels, which put pressure on prices. Taking this into account, our performance in Finland during the second quarter was satisfactory. Revenue from integrated services continued to grow during the second quarter.

We continued to expand our showroom network during the second quarter. In May, we opened new showrooms in Espoo Koskelo and Iisalmi, both in Finland. In June we opened an extension to our showroom in Örebro, Sweden. We also aim to strengthen our organization further particularly in the areas of digital and international.

A major milestone during the second quarter was our listing on the Nasdaq Helsinki main market. The objective of the listing was to support Kamux’s growth strategy and international expansion, as well as increase Kamux’s visibility in Finland and abroad. Our aim is to become the leading used car retailer in Europe and the listing supports Kamux’s journey there.”

### Outlook and financial targets

Kamux does not provide a short term outlook. In the medium term, the company’s targets are to increase revenue to at least EUR 700 million in 2019 and the operating profit margin of 4–5 % in 2019 and at least 5 % in the long term.

### Key figures

EUR million	4–6/ 2017	4–6/ 2016	Change, %	1–6/ 2017	1–6/ 2016	Change, %	1–12/ 2016
Revenue	109.2	103.3	5.7 %	218.4	200.3	9.0 %	404.8
Gross profit	13.0	12.4	4.4 %	25.5	24.3	4.9 %	49.2
as percentage of revenue, %	11.9 %	12.0 %		11.7 %	12.2 %		12.2 %
Operating profit (EBIT)	3.5	4.0	-13.5 %	6.9	8.0	-13.5 %	15.7
as percentage of revenue, %	3.2 %	3.9 %		3.2 %	4.0 %		3.9 %
Adjusted operating profit*	4.5	4.8	-6.2 %	9.1	9.2	-0.6 %	18.0
as percentage of revenue, %	4.1 %	4.6 %		4.2 %	4.6 %		4.4 %
Revenue from integrated services	5.6	4.9	14.4 %	11.0	9.0	21.9 %	19.3
as percentage of revenue, %	5.1 %	4.7 %		5.0 %	4.5 %		4.8 %
Number of cars sold	9,882	9,258	6.7 %	19,580	17,781	10.1 %	36,290
Gross profit per sold car, EUR	1,314	1,344	-2.2 %	1,304	1,369	-4.8 %	1,357
Sales growth of like-for-like showrooms, %	-11.6 %	26.9 %		-9.3 %	26.8 %		12.2 %
Net debt				11.8	25.9	-54.6 %	30.9
Inventories				52.6	41.6	26.4 %	47.9
Inventory turnover, days				46.0	39.0	18.0 %	43.1
Capital expenditures	0.2	0.4	-46.7 %	0.6	0.6	-2.4 %	2.1
Average number of employees during the period				407	356	14.3 %	343
Return on equity (ROE), %				26.1 %	56.9 %		43.8 %
Return on capital employed (ROI), %				16.1 %	25.6 %		22.5 %
Equity ratio, %				53.7 %	35.9 %		36.9 %
Earnings per share, basic, EUR	0.06	0.08	-18.7 %	0.13	0.15	-14.9 %	0.29

\* Operating profit adjusted for the costs related to the initial public offering, special items related to strategy planning, strategy implementation and geographical expansion, totaling EUR 1.0 million for the second quarter of 2017 (4–6/2016: EUR 0.8 million) and totaling EUR 2.2 million for 1–6/2017 (1–6/2016: EUR 1.2 million).

### Market review

Finland is Kamux’s home market and also the company’s largest business segment in terms of revenue. Kamux estimates that it maintained its market leadership in sales of used cars in Finland in the second quarter of 2017. In the second quarter of 2017 the market was impacted by the



increase of inventories in the market which put pressure on used car prices. Kamux estimates the Finnish market will grow during the rest of the year.

During the summer diesel car emissions and limiting the use of diesel cars has been debated publicly in Finland. A significant portion of Kamux’s cars are diesel cars due to the large share of diesel in the 2–4 year old lease car category, where Kamux sources cars from. In Kamux’s view diesel cars are still purchased actively, but negative publicity could have an impact on diesel car demand in the future.

Sweden is Kamux’s second largest market. The company estimates that it maintained its market position among the ten largest used cars retailers in Sweden in the second quarter of 2017. In Sweden, the market for both new and used cars experienced good growth during the second quarter.

Kamux’s market share in the Hamburg area continued to increase during the second quarter, but it is still very low. The used car market in Germany contracted slightly during the second quarter. In Germany there has also been a lot of discussion about the environmental impacts of emissions from diesel cars, which may impact diesel car demand in the future.

### Revenue in April–June 2017

Revenue increased by 5.7% compared to the corresponding period of the previous year and amounted to EUR 109.2 million (4–6/2016: 103.3). The increase in revenue was driven mainly by opening of new showrooms. The growth was fully organic. The share of Kamux’s integrated services revenue increased to EUR 5.6 million (4.9), or 5.1% of total revenue (4.7).

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 6.7% compared to the corresponding period of the previous year and amounted to 9,882 (9,258). The number of cars sold increased due to the opening of new showrooms. The revenue per sold car amounted to EUR 11,046 (11,155).

### Revenue in January–June 2017

Revenue increased by 9.0% compared to the corresponding period of the previous year and amounted to EUR 218.4 million (1–6/2016: 200.3). The increase in revenue was driven mainly by opening of new showrooms. The growth was fully organic. The share of Kamux’s integrated services revenue increased to EUR 11.0 million (9.0), or 5.0% of total revenue (4.5).

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 10.1% compared to the corresponding period of the previous year and amounted to 19,580 (17,781). The number of cars sold increased due to the opening of new showrooms. The revenue per sold car amounted to EUR 11,154 (11,264).

### Revenue allocation

EUR million	4–6/2017	4–6/2016	1–6/2017	1–6/2016	1–12/2016
Sales of used cars	103.6	98.4	207.4	191.3	385.5
Financing fees and insurance commissions	4.6	3.9	9.1	7.3	15.8
Sales of Kamux Plus	0.9	0.9	1.9	1.7	3.5
<b>Total</b>	<b>109.2</b>	<b>103.3</b>	<b>218.4</b>	<b>200.3</b>	<b>404.8</b>

### Result of operations in April–June 2017

Gross profit increased by 4.4 % compared to the corresponding period of the previous year and amounted to EUR 13.0 million (12.4). Gross profit as % of revenue decreased by 0.2 percentage points to 11.9 %.

The adjusted operating profit decreased by 6.2 % and amounted to EUR 4.5 million (4.8) or 4.1 % of the revenue. The decrease in the adjusted operating profit was impacted by the market situation in Finland as well as the rapid growth of German segment. Due to the challenging market operating expenses grew faster than revenues in Finland. The very fast growth of German business resulted, as planned, in a growth of operating expenses in Germany and also impacted the adjusted operating profit negatively. The adjusted operating profit has been adjusted for costs related to the listing, as well as special items related to strategic planning, implementation of the strategy and geographical expansion. The adjustment items to the operating profit totaled EUR 1.0 million (0.8) for the second quarter. Kamux recognized a total of EUR 1.6 million in advisor and other expenses and fees related to the listing process and preparations for being listed on the stock exchange during the second quarter. Out of these expenses, a total of EUR 0.8 million was recognized through profit or loss during the second quarter and 0.8 million was recognized against equity.

Kamux's operating profit decreased 13.5 % as compared to the previous year, amounting to EUR 3.5 million (4.0). The decrease was mainly due to the abovementioned reasons, listing costs and other special items adjusting the operating profit.

The result before taxes for the first quarter amounted to EUR 3.2 million (3.8). The earnings per share amounted to EUR 0.06 (0.08).

### Result of operations in January–June 2017

Gross profit increased by 4.9 % compared to the corresponding period of the previous year and amounted to EUR 25.5 million (24.3). Gross profit as a % of revenue decreased by 0.5 percentage points to 11.7 %.

The adjusted operating profit decreased by 0.6 % and amounted to EUR 9.1 million (9.2) or 4.2 % of the revenue. The decrease in the adjusted operating profit was due to the decrease of the gross margin as a % revenue, and increase in operating expenses. The adjustment items to the operating profit totaled EUR 2.2 million (1.2) for the first half.

Kamux's operating profit decreased 13.5 % as compared to the previous year, amounting to EUR 6.9 million (8.0). The decrease was mainly due to the abovementioned gross margin % decrease and increase in operating expenses, as well as listing costs and other special items adjusting the operating profit.

The result before taxes for the first half amounted to EUR 6.5 million (7.5). The earnings per share amounted to EUR 0.13 (0.15).

## Key figures of the business segments

EUR million	4–6/ 2017	4–6/ 2016	Change, %	1–6/ 2017	1–6/ 2016	Change, %	1–12/ 2016
<b>Revenue</b>							
Finland	89.8	86.3	4.0 %	180.9	169.7	6.6 %	343.2
Sweden	16.9	16.6	1.5 %	32.8	30.4	8.1 %	60.9
Germany	5.8	2.7	117.6 %	11.2	4.9	128.8 %	10.8
<b>Segments total</b>	<b>112.5</b>	<b>105.6</b>	<b>6.5 %</b>	<b>224.9</b>	<b>204.9</b>	<b>9.7 %</b>	<b>414.9</b>
Group functions and eliminations	-3.3	-2.4	-40.6 %	-6.5	-4.6	-39.3 %	-10.1
<b>Total</b>	<b>109.2</b>	<b>103.3</b>	<b>5.7 %</b>	<b>218.4</b>	<b>200.3</b>	<b>9.0 %</b>	<b>404.8</b>
<b>Gross Profit</b>							
Finland	11.3	10.7	6.4 %	22.6	21.3	6.5 %	44.1
Sweden	1.4	1.5	-8.6 %	2.3	2.6	-12.8 %	4.3
Germany	0.2	0.3	-4.6 %	0.6	0.4	33.5 %	0.8
<b>Segments total</b>	<b>13.0</b>	<b>12.4</b>	<b>4.4 %</b>	<b>25.5</b>	<b>24.3</b>	<b>4.9 %</b>	<b>49.2</b>
Other activities	-	-	-	-	-	-	-
<b>Total</b>	<b>13.0</b>	<b>12.4</b>	<b>4.4 %</b>	<b>25.5</b>	<b>24.3</b>	<b>4.9 %</b>	<b>49.2</b>
<b>Gross profit, as percentage of revenue, %</b>							
Finland	12.6 %	12.3 %		12.5 %	12.5 %		12.9 %
Sweden	8.3 %	9.2 %		7.0 %	8.6 %		7.0 %
Germany	4.1 %	9.4 %		5.3 %	9.1 %		7.7 %
<b>Segments total</b>	<b>11.5 %</b>	<b>11.8 %</b>		<b>11.3 %</b>	<b>11.9 %</b>		<b>11.9 %</b>
Group functions and eliminations	-	-		-	-		-
<b>Total</b>	<b>11.9 %</b>	<b>12.0 %</b>		<b>11.7 %</b>	<b>12.2 %</b>		<b>12.2 %</b>
<b>Operating profit</b>							
Finland	5.6	5.8	-3.0 %	11.6	11.3	3.0 %	22.2
Sweden	0.0	-0.2	119.5 %	-0.5	-0.6	26.1 %	-1.5
Germany	-0.5	-0.1	-304.2 %	-0.9	-0.2	-360.5 %	-0.7
<b>Segments total</b>	<b>5.1</b>	<b>5.5</b>	<b>-5.6 %</b>	<b>10.2</b>	<b>10.4</b>	<b>-1.9 %</b>	<b>20.0</b>
Group functions and eliminations	-1.7	-1.5	-16.0 %	-3.3	-2.5	-35.5 %	-4.3
<b>Total</b>	<b>3.5</b>	<b>4.0</b>	<b>-13.5 %</b>	<b>6.9</b>	<b>8.0</b>	<b>-13.5 %</b>	<b>15.7</b>
<b>Operating profit, as percentage of revenue, %</b>							
Finland	6.2 %	6.7 %		6.4 %	6.6 %		6.5 %
Sweden	0.2 %	-1.1 %		-1.4 %	-2.1 %		-2.4 %
Germany	-8.0 %	-4.3 %		-8.1 %	-4.0 %		-6.7 %
<b>Segments total</b>	<b>4.6 %</b>	<b>5.2 %</b>		<b>4.6 %</b>	<b>5.1 %</b>		<b>4.8 %</b>
Group functions and eliminations	-	-		-	-		-
<b>Total</b>	<b>3.2 %</b>	<b>3.9 %</b>		<b>3.2 %</b>	<b>4.0 %</b>		<b>3.9 %</b>

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

%	4–6/2017	4–6/2016	1–6/2017	1–6/2016	1–12/2016
<b>Financing services</b>					
Finland	45	47	45	47	47
Sweden	49	48	49	45	45
Germany	24	30	25	29	28
<b>Insurance services</b>					
Finland	50	52	48	54	52
Sweden	92	76	88	50	60
<b>Kamux Plus</b>					
Finland	16	21	17	20	20
Sweden	28	26	27	26	25

#### Finland in April–June 2017

Revenue increased by 4.0 % compared to the corresponding period of the previous year, amounting to EUR 89.8 million (86.3). The number of cars sold increased by 392, or 4.9 % compared to the second quarter of the previous year. The growth was mainly based on the sales of new showrooms.

Revenue of the integrated services increased to EUR 5.0 million (4.4), or 5.6 % of the revenue (5.1). Operating profit decreased by 3.0 % as compared to the corresponding period of the previous year, amounting to EUR 5.6 million (5.8), or 6.2 % of the revenue (6.7). During the second quarter, Kamux opened two new showrooms in Finland, one in Espoo and one in Iisalmi, both in May 2017.

#### Finland in January–June 2017

Revenue increased by 6.6 % compared to the corresponding period of the previous year, amounting to EUR 180.9 million (169.7). The number of cars sold during the first six months of 2017 increased by 1,228, or 8.0 % compared to the corresponding period of the previous year. The growth was mainly based on the sales of new showrooms.

Revenue of the integrated services increased to EUR 9.9 million (8.3), or 5.5 % of the revenue (4.9). Operating profit increased by 3.0 % compared to the corresponding period of the previous year, amounting to EUR 11.6 million (11.3), or 6.4 % of the revenue (6.6). During the first half, Kamux opened 3 new showrooms in Finland, Turku in February and Espoo and Iisalmi in May.

#### Sweden in April–June 2017

Revenue increased by 1.5 % compared to the corresponding period of the previous year, amounting to EUR 16.9 million (16.6). The number of cars sold during the second quarter increased by 16, or 1.4 % compared to the second quarter of the previous year. The growth was mainly due to the opening of a new showroom in July 2016.

Revenue of the integrated services remained at last year's level at EUR 0.4 million (0.4), or 2.9 % of the revenue (3.1). Operating profit increased compared to the corresponding period of the previous year, amounting to EUR 0.0 million (-0.2). During the second quarter, Kamux continued to develop its business processes in Sweden. Kamux expanded its showroom in Örebro during the second quarter.

### Sweden in January–June 2017

Revenue increased by 8.1 % compared to the corresponding period of the previous year, amounting to EUR 32.8 million (30.4). The number of cars sold during the second quarter increased by 108, or 5.3 % compared to the corresponding period of the previous year. The growth was mainly due to the opening of a new showroom in July 2016.

Revenue of the integrated services increased to EUR 0.8 million (0.6), or 2.9 % of the revenue (2.5). Operating loss decreased compared to the corresponding period of the previous year, amounting to EUR -0.5 million (-0.6).

### Germany in April–June 2017

Revenue increased by 117.6 % compared to the corresponding period of the previous year, amounting to EUR 5.8 million (2.7). The number of cars sold during the second quarter increased by 216, or 99.1 % compared to the second quarter of the previous year. The growth was mainly due the new showroom opened in December 2016. During the second quarter, Kamux continued to develop its business processes also in Germany.

Revenue of the integrated services increased to EUR 0.1 million (0.0), or 2.5 % (1.2) of the revenue. Operating loss increased compared to the corresponding period of the previous year, amounting to EUR -0.5 million (-0.1). The increase in the operating loss was due to the increase in expenses as the company builds the organization for future growth.

### Germany in January–June 2017

Revenue increased by 128.8 % compared to the corresponding period of the previous year, amounting to EUR 11.2 million (4.9). The number of cars sold during the first half increased by 463, or 119.0 % compared to the corresponding period of the previous year. The growth was mainly due the new showroom opened in December 2016.

In Germany, the revenue of the integrated services increased to EUR 0.3 million (0.1), or 2.5 % (1.3) of the revenue. Operating loss increased compared to the corresponding period of the previous year, amounting to EUR -0.9 million (-0.2). The major event in Germany during the first half was the official opening in January 2017 of the showroom in Nedderfeld, which had started its operations in December 2016.

### Consolidated balance sheet and financial position

The group's consolidated balance sheet amounted to EUR 97.1 million as of June 30, 2017 (72.5), of which total equity amounted to EUR 52.1 million (25.5). The amount of net debt was EUR 11.8 million (25.9), of which non-current debt amounted to EUR 23.9 million (26.8).

During the first half the company issued a total of 117,622 new shares in share issues directed to the company's new key employee and the new members of the Board of Directors resulting in gross proceeds of EUR 0.7 million to the company. In May 2017 Kamux was listed on the Nasdaq Helsinki main market. Kamux issued 2,852,853 new shares in the initial public offering. Gross proceeds from the issue were EUR 20.5 million. A total of EUR 0.8 million net of taxes of the issue related expenses was deducted from the issue gross proceeds.

Kamux has entered into a five-year loan facility agreement of EUR 50 million with Nordea Bank AB (publ), Finnish Branch. The facility agreement was amended during the second quarter and it includes a five-year term loan of EUR 30 million and a revolving credit facility of EUR 20 million. Of the revolving credit facility, EUR 10 million is available as a multi-currency facility that Kamux



entered into in December 2016. The term loan of EUR 30 million will continue to be repaid in bi-annual installments of EUR 1.5 million. In addition to the revolving facility, Kamux has a lease guarantee facility of EUR 0.4 million.

Net working capital amounted to EUR 47.2 million as at June 30, 2017 (36.5). The inventory amounted to EUR 52.6 million (41.6).

For the first half of 2017, Kamux’s cash flow from operating activities amounted to EUR 1.4 million (0.0). Cash and cash equivalents at the end of the period amounted to EUR 15.1 million (6.9).

Equity ratio at the end of the period was 53.7 % (35.9). Return on capital employed was 16.1 % (25.6) and return on equity was 26.1 % (56.9).

### Capital expenditure, research and development

Kamux’s capital expenditure for January–June 2017 amounted to EUR 0.6 million (0.6), consisting mainly of IT systems and ordinary maintenance in the showrooms. Kamux’s business research and development costs are mainly related to expenses in further developing the company’s retail concept and improving its business processes.

In 2017, Kamux will continue to invest in matters related to the opening of new showrooms, such as refurbishment, equipment and fixtures, as well as in digitalization projects, such as CRM/ERP system, analytics, information management and financial administration systems. The company will finance these investments with the existing cash and cash equivalents, cash flow from operations and, when necessary, bank overdrafts.

### Personnel

In January–June 2017, Kamux’s average number of employees amounted to 407 (356) in terms of full-time employees. Kamux recruited 108 new fulltime employees in the first half of the year. In addition Kamux hired a total of 41 summer trainees into various roles. Recruiting continues all the time to support Kamux’s growth.

### Average number of employees by segment

	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
Finland	326	288	280
Sweden	56	56	47
Germany	25	12	16
<b>Total</b>	<b>407</b>	<b>356</b>	<b>343</b>

### Listing on the Nasdaq Helsinki main market

The planned listing was published by the company on May 2, 2017. The subscription period began on May 2, 2017, and ended for the public offering and personnel offering on May 9, 2017 and for the institutional offering on May 11, 2017. The Board of Directors decided on the completion of the initial public offering on May 11, 2017. The Company was listed on the pre-list of Nasdaq Helsinki May 12, 2017 and on the main market on May 16, 2017.

The offering was oversubscribed and the final offering price was EUR 7.20 per share. The company issued 2,852,853 new shares in the offering. The total number of the company's outstanding shares increased to 39,987,294. The new shares were registered in the trade register on May 11, 2017.

The company raised EUR 20.5 million gross proceeds in the offering. The number of shareholders after the offering increased to more than 1,200. Kamux's management team and employees owned around 28% of the company immediately after the initial public offering.

Kamux personnel subscribed 109,820 shares in the personnel offering. The subscription price per share in the personnel offering was 10 percent lower than the subscription price in the public offering, i.e. EUR 6.48 per share. The discount received by the personnel, EUR 79 thousand, was booked as a share-based expense in personnel expenses in the second quarter.

### **Partial exercise of the over-allotment option and stabilization measures taken**

In connection with the offering, Intera Fund II Ky ("Intera") granted Skandinaviska Enskilda Banken AB (publ), Helsinki branch ("SEB") an option to purchase up to an additional 2,250,153 shares in the company, corresponding to approximately 5.4% of the number of shares in the company after the offering, in order to cover any over-allotment in connection with the offering. SEB partially exercised the over-allotment option granted by Intera by purchasing 1,573,811 shares in the company from Intera. SEB returned to Intera the remaining 676,342 shares borrowed by SEB according to the share lending agreement related to the offering.

Intera sold in the offering a total of 9,701,404 shares in Kamux, including the shares sold by exercise of the over-allotment option. The ownership of Intera in the company after exercising the over-allotment option was 11,748,596 shares, which represented approximately 28.4 percent of all shares in the company.

The stabilizing manager in the offering, SEB, carried out stabilization measures between May 16, 2017 and June 9, 2017 by purchasing a total of 676,342 shares at a price of EUR 7.20 per share. The stabilization period ended on June 9, 2017.

### **Kamux's share and shareholders**

The company has one share class. Each share carries one vote at the general meeting of shareholders and each share confers equal right to dividends and net assets of the company. The shares have no nominal value. The shares of the Company are incorporated in the book-entry securities system maintained by Euroclear Finland.

Trading on Kamux's shares started on the pre-list of Nasdaq Helsinki on May 12, 2017 and on the main market on May 16, 2015. A total of 15,976,977 shares were traded between May 12 and June 30, 2017. The highest share price during the period was EUR 8.88, the lowest price was EUR 7.18. The closing share price was EUR 8.88. Market capitalization, excluding treasury shares, measured at the closing price was EUR 355.1 million.

Kamux's share capital amounted to EUR 80,000 on June 30, 2017, and the number of shares was 41,307,156. At the end of the review period, the company held 1,319,862 treasury shares, representing 3.2% of all shares.

## Corporate Governance

Kamux's Annual General Meeting on April 12, 2017 approved the financial statements and discharged the members of the Board of Directors and the CEO from liability for the financial year 2016. The Annual General Meeting re-elected Matti Virtanen, Reija Laaksonen, David Nuutinen, Jokke Paananen and Vesa Uotila as members of the Board. In addition it was noted that Sivula's election was contingent on the execution of the initial public offering, and came into effect when trading in the company's share began on the pre-list of Nasdaq Helsinki. The Annual General Meeting appointed PricewaterhouseCoopers Oy as its auditor for the financial year ending 31 December 2017. PricewaterhouseCoopers Oy appointed Janne Rajalahti, APA, as the principal auditor.

The Annual General Meeting decided on a dividend of EUR 0.06 per share outstanding at the time of the decision to be paid out from distributable earnings in 2016. The total dividend of EUR 2.2 million was paid on 25 April, 2017.

The Annual General Meeting authorized Kamux's Board of Directors to resolve on a directed share issue. Based on the authorization, new and/or existing shares may be issued in deviation from the shareholders' pre-emptive rights in one or more occasions, such that the total number of shares issued may not exceed 300,000. Shares may also be issued without consideration. The issued shares may be used for rewarding Kamux's key employees under the company's share-based incentive plan. The Board of Directors is authorized to decide on other terms of the share issue. The share issue authorization is valid until December 31, 2019.

The company's shareholders unanimously resolved on April 27, 2017 that the Chairman of the Board of Directors will receive an annual compensation of EUR 36,000 and the other members of the Board of Directors EUR 20,000 for performing their duties on the Board of Directors. No separate compensation will be paid for attending the meetings of the Board of Directors.

On April 27, 2017, the Board of Directors approved that the Company will pay Virtanen Consulting GmbH, a company controlled by Matti Virtanen, for the services provided in connection with the listing in the second quarter of 2017 a maximum of EUR 62 thousand.

On May 3, 2016, the company's shareholders unanimously authorized the Board of Directors to resolve on a directed share issue against a consideration. Based on the authorization, a maximum of 6,000,000 new shares may be issued in deviation from the shareholders' pre-emptive rights on one or more occasions. The authorization granted to the company's Board of Director was in effect until June 30, 2017, and it revoked the share issue authorization granted by the General Meeting of the Shareholders on December 22, 2015. Based on the authorization mentioned above, the company's Board of Directors resolved on an issue of new shares on May 11, 2017. The company issued a total of 2,852,853 new shares in the share issue, and the number of the shares increased to 41,307,156 shares.

## Short-term risks and uncertainties

According to the company's assessment there has 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 standards and 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 and weaken Kamux'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.

Kamux's IT systems are pivotal to the company's operations, and they cover all the major areas of the business. Should the IT systems and services not operate as planned, this 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. Should Kamux fail to maintain its service level on an adequate level or an adverse event damage the company's reputation, this 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](http://www.kamux.com).

### **Events after the reporting period**

In July, Kamux announced the expansion and opening of a utility vehicle point in the Kuopio showroom. The expansion will open by the beginning of October. In August Kamux opened a showroom in Espoo Olari.

Kamux has also entered into lease agreements on the expansion of Vantaa Airport's store and the new facility for the Lahti utility vehicle showroom near Lahti showroom. Lahti showroom will use the space currently used by the utility vehicle point. Both facilities will be available during the third quarter. In July, Kamux signed a new lease in Sweden's Jönköping. The new space will be available from the beginning of 2018 and will allow a nearly threefold increase in our car offering in Jönköping.



## Kamux Corporation's Half Year Financial Report for January–June 2017

### Key accounting policies

This Half Year Financial Report has been prepared according to the IAS 34 - Interim Financial Reporting standard. The Half Year Financial Report is based on the same accounting policies and calculation methods as used in the financial statements for the year 2016, as well as on the new and updated IFRS standards described in the financial statements for the year 2016. However, the Half Year Financial Report does not include all the information and notes that are presented in the annual financial statements. As such, the Half Year Financial Report should be read together with the annual financial statements for the year 2016.

The figures presented in the Half Year Financial Report are independently rounded.

Preparing the Half Year Financial 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 applied in the financial statements for the year 2016

The Half Year Financial Report is unaudited.

## Consolidated statement of comprehensive income

EUR million	4-6/2017	4-6/2016	1-6/2017	1-6/2016	1-12/2016
<b>Revenue</b>	<b>109.2</b>	<b>103.3</b>	<b>218.4</b>	<b>200.3</b>	<b>404.8</b>
Other operating income	0.2	0.1	0.4	0.2	1.1
Materials and services	-96.4	-91.0	-193.3	-176.1	-356.6
Personnel costs	-5.4	-4.7	-10.4	-9.3	-19.9
Other operating expenses	-3.8	-3.5	-7.7	-6.7	-12.8
Depreciation and amortization	-0.3	-0.2	-0.5	-0.3	-0.8
<b>Operating profit</b>	<b>3.5</b>	<b>4.0</b>	<b>6.9</b>	<b>8.0</b>	<b>15.7</b>
Finance costs	-0.2	-0.2	-0.4	-0.5	-1.0
<b>Profit before income tax</b>	<b>3.2</b>	<b>3.8</b>	<b>6.5</b>	<b>7.5</b>	<b>14.6</b>
Income tax	-0.8	-0.9	-1.7	-1.8	-3.6
<b>Profit for the period</b>	<b>2.4</b>	<b>2.9</b>	<b>4.8</b>	<b>5.7</b>	<b>11.0</b>
<b>Other comprehensive income</b>					
<b>Items that maybe subsequently reclassified to profit or loss</b>					
Translation differences	-0.0	0.0	-0.0	0.0	0.0
<b>Other comprehensive income for the period, net of tax</b>	<b>-0.0</b>	<b>0.0</b>	<b>-0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total comprehensive income for the period</b>	<b>2.4</b>	<b>2.9</b>	<b>4.8</b>	<b>5.7</b>	<b>11.0</b>
Profit for the period attributable to					
Owners of the Company	2.4	2.9	4.8	5.7	11.0
Total comprehensive income for the period attributable to					
Owners of the Company	2.4	2.9	4.8	5.7	11.0
Earnings per share for profit attributable to Owners of the Company					
Earnings per share, basic and diluted, EUR	0.06	0.08	0.13	0.15	0.29

## Consolidated balance sheet

EUR million	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1.1	0.7	1.0
Goodwill	13.6	13.6	13.6
Property, plant and equipment	1.7	1.0	1.7
Other receivables	0.1	0.0	0.0
Deferred tax assets	0.3	0.3	0.3
<b>Total non-current assets</b>	<b>16.7</b>	<b>15.6</b>	<b>16.6</b>
<b>Current assets</b>			
Inventories	52.6	41.6	47.9
Trade and other receivables	10.8	8.4	11.4
Current tax assets	1.8	-	1.8
Cash and cash equivalents	15.1	6.9	0.7
<b>Total current assets</b>	<b>80.3</b>	<b>57.0</b>	<b>61.8</b>
<b>TOTAL ASSETS</b>	<b>97.1</b>	<b>72.5</b>	<b>78.4</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	24.6	1.4	4.1
Translation differences	0.1	0.1	0.1
Retained earnings	22.5	18.8	13.7
Profit for the period	4.8	5.7	11.0
<b>Total equity attributable to owners of the Company</b>	<b>52.1</b>	<b>26.0</b>	<b>28.9</b>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Borrowings	23.9	26.8	25.4
Derivative financial instruments	0.0	0.2	0.1
Provisions	0.4	-	0.4
<b>Total non-current liabilities</b>	<b>24.3</b>	<b>27.0</b>	<b>25.8</b>
<b>Current liabilities</b>			
Borrowings	3.0	6.0	6.3
Trade and other payables	12.3	11.1	12.3
Provisions	2.0	1.6	1.7
Current income tax liabilities	3.4	0.8	3.4
<b>Total current liabilities</b>	<b>20.7</b>	<b>19.5</b>	<b>23.7</b>
<b>Total liabilities</b>	<b>44.9</b>	<b>46.5</b>	<b>49.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>97.1</b>	<b>72.5</b>	<b>78.4</b>

## Consolidated statement of changes in equity

EUR million	Share capital	Reserve for invested unrestricted equity	Translation differences	Retained earnings	Total equity
<b>Equity at Jan 1, 2017</b>	0.1	4.1	0.1	24.7	28.9
Profit for the period				4.8	4.8
Other comprehensive income			-0.0		-0.0
<b>Total comprehensive income</b>			0.0	4.8	4.8
Transactions with owners:					
Share issue		20.5			20.5
Dividends for owners				-2.2	-2.2
Price difference between the offering for employees and the public offering				0.1	0.1
<b>Equity at Jun 30, 2017</b>	0.1	24.6	0.1	27.4	52.1
<b>Equity at Jan 1, 2016</b>	0.1	0.9	0.1	20.3	21.3
Profit for the period				5.7	5.7
Other comprehensive income			0.0		0.0
<b>Total comprehensive income</b>			0.0	5.7	5.7
Transactions with owners:					
Share issue		0.5			0.5
Dividends to shareholders				-1.5	-1.5
<b>Equity at Jun 30, 2016</b>	0.1	0.9	0.1	24.5	25.5



**Consolidated statement of cash flows**

EUR million	4-6/ 2017	4-6/ 2016	1-6/ 2017	1-6/ 2016	1-12/ 2016
<b>Cash flows from operating activities</b>					
Profit for the period	2.4	2.9	4.8	5.7	11.0
Adjustments for:					
Depreciation and amortization	0.3	0.2	0.5	0.3	0.8
Finance costs	0.2	0.2	0.4	0.5	1.0
Change in provisions	0.2	0.2	0.3	0.4	0.8
Write-down of inventories	-0.1	0.0	-0.1	0.0	0.3
Income taxes	0.8	0.9	1.7	1.8	3.6
Other non-cash items	0.1	-	0.1	-	0.1
Changes in working capital:					
Change in trade receivables and other receivables	-1.1	0.2	0.5	-2.1	-5.1
Change in trade payables and other payables	-0.6	-0.4	0.0	1.7	2.7
Change in inventories	-4.6	-1.6	-4.8	-5.6	-12.2
Interests paid	-0.1	0.0	-0.3	-0.2	-0.7
Other financial items, net	-0.1	-0.1	-0.2	-0.2	-0.2
Income taxes paid	-1.0	-3.2	-1.8	-2.3	-3.2
<b>Net cash flow inflow (outflow) from operating activities</b>	<b>-3.5</b>	<b>-0.7</b>	<b>1.4</b>	<b>0.0</b>	<b>-1.1</b>
<b>Cash flows from investing activities</b>					
Capital expenditures in property, plant and equipment	-0.1	-0.2	-0.2	-0.3	-1.5
Capital expenditures in intangible assets	-0.2	-0.2	-0.3	-0.2	-0.7
<b>Net cash (outflow) from investing activities</b>	<b>-0.2</b>	<b>-0.4</b>	<b>-0.6</b>	<b>-0.6</b>	<b>-2.1</b>
<b>Cash flows from financing activities</b>					
Proceeds from share issues	20.2	-	20.5	0.5	3.2
Purchase of treasury shares	-	-	-	-	-5.2
Proceeds from bank loans	-	3.0	-	33.0	43.4
Repayments of bank loans	-0.2	-	-4.8	-25.3	-36.9
Dividends paid	-2.2	-1.5	-2.2	-1.5	-1.5
<b>Net cash inflow (outflow) from financing activities</b>	<b>17.8</b>	<b>1.5</b>	<b>13.5</b>	<b>6.6</b>	<b>3.1</b>
<b>Net decrease/increase in cash and cash equivalents</b>	<b>14.1</b>	<b>0.4</b>	<b>14.3</b>	<b>6.1</b>	<b>-0.1</b>
Cash and cash equivalents at the beginning of the period	0.9	6.6	0.7	0.8	0.8
Effects of exchange rate changes on cash and cash equivalents	0.1	0.0	0.1	-0.0	-0.0
<b>Cash and cash equivalents at the end of period</b>	<b>15.1</b>	<b>6.9</b>	<b>15.1</b>	<b>6.9</b>	<b>0.7</b>



EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
<b>1-12/2016</b>							
<b>Revenue</b>	<b>343.2</b>	<b>60.9</b>	<b>10.8</b>	<b>414.9</b>		<b>-10.1</b>	<b>404.8</b>
internal		9.6	0.6	10.1		-10.1	
external	343.2	51.3	10.3	404.8			404.8
<b>Gross profit</b>	<b>44.1</b>	<b>4.3</b>	<b>0.8</b>	<b>49.2</b>			<b>49.2</b>
<b>EBITDA</b>	<b>22.8</b>	<b>-1.3</b>	<b>-0.7</b>	<b>20.8</b>	<b>-4.3</b>		<b>16.5</b>
Depreciation and amortization	-0.6	-0.1	0.0	-0.8	0.0		-0.8
<b>Operating profit</b>	<b>22.2</b>	<b>-1.5</b>	<b>-0.7</b>	<b>20.0</b>	<b>-4.3</b>		<b>15.7</b>
Finance costs							-1.0
<b>Profit before income tax</b>							<b>14.6</b>

### Net working capital

EUR million	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
Inventories	52.6	41.6	47.9
Trade and other receivables	10.8	8.4	11.4
Current income tax receivables	1.8	0.0	1.8
Trade and other payables	-12.3	-11.1	-12.3
Provisions	-2.4	-1.6	-2.0
Current income tax liabilities	-3.4	-0.8	-3.4
<b>Net working capital</b>	<b>47.2</b>	<b>36.5</b>	<b>43.3</b>

### Borrowings and net debt

EUR million	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
<b>Non-current</b>			
Bank loans	23.9	26.8	25.4
<b>Total non-current borrowings</b>	<b>23.9</b>	<b>26.8</b>	<b>25.4</b>
<b>Current</b>			
Bank loans	3.0	6.0	5.0
Bank overdrafts	-	0.0	1.3
<b>Total current borrowings</b>	<b>3.0</b>	<b>6.0</b>	<b>6.3</b>
<b>Total borrowings</b>	<b>26.9</b>	<b>32.8</b>	<b>31.7</b>
Less cash and cash equivalents	-15.1	-6.9	-0.7
<b>Net debt</b>	<b>11.8</b>	<b>25.9</b>	<b>30.9</b>

## Derivatives

EUR million	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
<b>Interest rate derivatives</b>			
Fair value	0.0	-0.1	-0.1
Value of underlying instrument	5.8	7.1	6.5
<b>Foreign currency derivatives</b>			
Fair value	0.0	-	0.0
Value of underlying instrument	4.1	-	3.1

## Lease obligations and other commitments

### Operating lease commitments

The future minimum lease payments under non-cancellable operating leases

EUR million	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
No later than 1 year	5.4	4.2	5.0
Later than 1 year and no later than 5 years	11.3	10.3	11.8
Later than 5 years	0.6	1.3	1.0
<b>Total</b>	<b>17.3</b>	<b>15.9</b>	<b>17.8</b>

Loans against which guarantees and mortgages have been given

EUR million	Jun 30, 2017	Jun 30, 2016	Dec 31, 2016
Loans	26.9	32.8	31.7
guarantees given against loans	104.0	104.0	104.0

### Other commitments

EUR million	Jun 2017	Jun 2016	Dec 2016
Rent and other payment guarantees	0.4	0.3	0.3

## Related party transactions

EUR million	4-6/2017	4-6/2016	1-6/2017	1-6/2016	1-12/2016
Sales of used cars	0.0	0.1	0.0	0.2	0.2
Purchases of used cars and rental expenses	-0.2	-0.2	-0.3	-0.4	-0.7

On January 5, 2017, the company entered into a consulting agreement with DN Advisory Oy, which is controlled by David Nuutinen. The company purchases from DN Advisory Oy consulting services related to the development and management of the company's operations in Sweden for EUR 7,500 per month.



On January 30, 2017, the company issued a total of 52,174 new shares in a share issue directed to a new member of the company's management. The shares were registered in the Finnish Trade Register on February 14, 2017.

On March 27, 2017, the company issued a total of 39,348 new shares in a share issue directed to the new members of the company's Board of Directors. The shares were registered in the Finnish Trade Register on April 20, 2017.

On April 5, 2017, the company issued a total of 26,100 new shares in a share issue directed to a new key member of the company's management. The shares were registered in the Finnish Trade Register on April 26, 2017.

As the Board of Directors approved on April 27, 2017 the Company paid Virtanen Consulting GmbH, a company controlled by Matti Virtanen, for the services provided in connection with the listing in the second quarter of 2017 a total of EUR 62 thousand during the second quarter of 2017.

### 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 results of operations, 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	4-6/2017	4-6/2016	1-6/2017	1-6/2016	1-12/2016
<b>Operating profit (EBIT)</b>	<b>3.5</b>	<b>4.0</b>	<b>6.9</b>	<b>8.0</b>	<b>15.7</b>
Costs relating to the listing	0.8	0.7	1.2	1.1	1.2
Strategic investigations	0.1	0.1	0.7	0.1	0.6
Special items relating to geographical expansion	0.1	0.0	0.3	0.0	0.2
Share-based payments	-	-	-	-	0.3
<b>Total adjustment items</b>	<b>1.0</b>	<b>0.8</b>	<b>2.2</b>	<b>1.2</b>	<b>2.3</b>
<b>Adjusted operating profit</b>	<b>4.5</b>	<b>4.8</b>	<b>9.1</b>	<b>9.2</b>	<b>18.0</b>

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 listing, special items relating to strategic planning and strategy implementation, special items relating to geographical expansion of business and cash-settled share-based payments related to redemption of treasury shares.
Net debt	=	Non-current borrowings + Current borrowings - Cash and cash equivalents
Financial debt	=	Non-current borrowings + Current borrowings
Same store sales growth	= 100 * (	$\frac{\text{Car sales same store showrooms}}{\text{Car sales of same store showrooms of the previous year}} - 1)$
		<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

## Publication schedule for financial reporting in 2017

Kamux will publish its financial reports in 2017 as follows:

Interim report for January–September 2017 on Thursday November 23, 2017.

## Half year Financial Report conference call

Kamux will hold a Half Year Financial Report conference call today on May 24, 2017 at 14:30 (Finnish time). The Half Year Financial Report will be presented by CEO Juha Kalliokoski and CFO Tapio Arimo. Participants are requested to call in and register a few minutes prior to the start of the conference call at:

<https://praecomspark.webex.com/praecomspark/onstage/g.php?MTID=e07749ed8fa031463905159af8a651a26>

The numbers are: UK call-in toll number: +44-203-478-5289, Finland toll: +358 9 3158 4349 and Sweden toll: +46 8 5051 3563.

Global call-in numbers:

<https://praecomspark.webex.com/praecomspark/globalcallin.php?serviceType=EC&ED=534514682&tollFree=0>.

The conference access code is: 845 132 453.

In Hämeenlinna on August 24, 2017

Kamux Corporation

The Board of Directors

## For more information:

Juha Kalliokoski, CEO

Tel. +358 50 544 5538

Tapio Arimo, CFO

Tel. +358 40 829 6452

Satu Heikkilä, Director of Marketing and Communications

Tel. +358 400 629 337