



**REPORT BY THE BOARD OF
DIRECTORS AND CONSOLIDATED
FINANCIAL STATEMENTS 2020**

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REPORT BY THE BOARD OF DIRECTORS 2020

KAMUX'S OPERATING ENVIRONMENT

Kamux is a retail chain specializing in purchasing and selling used cars. On December 31, 2020, Kamux had 50 car showrooms in Finland, 20 in Sweden and 8 in Germany.

The overall market for used cars in Europe is approximately twice the size of new car sales, and market changes are smaller than in new car retail. People's mobility needs remain unchanged, but different mobility needs require alternatives in the car selection and power sources. Today's consumers value diverse possibilities for online interactions along with reliable and competent service.

The development of the used car market is affected by the general economic situation as well as the development of the size of the population and urbanization. There have been changes in consumer behavior and consumers' willingness to own a car in recent years. However, the sharing economy and new forms of mobility services on the used car market are not having a material role yet and the corona pandemic did not increase interest on them in year 2020. Public debate and potential political decisions concerning emissions and climate change, car and fuel taxes and safety requirements may impact the used car market development.

In 2020, the number of new cars registered in Europe was 23.7% lower than in 2019 (ACEA). In Finland, the number of first-registered passenger cars decreased by 15.6% compared to 2019 (The Finnish Information Centre of Automobile Sector), in Sweden the number of first-registered passenger cars decreased by 18.0% (Bilsweden) and in Germany, the decrease was 19.1% (Kraftfahrt-Bundesamt).

The year 2020 turned out to be completely exceptional as the corona pandemic hit Europe. Regulations, guidelines

and restrictions on movement and gathering caused significant changes in the business environment during the year. We paid special attention to the safety of our personnel and customers in accordance with the guidelines given in each country. In Finland and Sweden, showrooms remained open throughout the year, but society and retail in Germany were extensively closed down both in March and in December 2020. The closure of society and retail in Germany also continued at the beginning of 2021.

Finland

Kamux's operating environment in Finland was cyclical in 2020. The spring was characterized by the lockdown of Uusimaa and restrictions on movement and gathering, affecting people's shopping behavior and mobility. The situation temporarily normalized during the summer, until the number of new infections increased again in the autumn and stricter restrictions and recommendations were put in place. As a result of the corona pandemic, there was actually oversupply on the used car market in the spring. However, the situation turned to a shortage of used cars at the beginning of summer, as new car sales plunged and used cars did not enter the market. Public discussion continued during the year concerning climate goals, traffic emissions, car and fuel tax and alternative power sources.

Despite the unforeseeable operating environment, we strengthened our foothold as market leader in Finnish used car retail. We estimate that Kamux's market share in Finland at the end of the year was approximately eight percent. The market grew slightly from the year 2019.

Combustion engine cars continue to be dominant in Finland. In 2020, approximately 61 percent of first-time

registered passenger cars were powered by petrol or diesel. In alternative power sources, rechargeable hybrid cars were the most popular amongst first-time registered passenger cars. The share of gas and electric-powered cars remained small, although it was increasing, as was the share of all alternative power sources. However, Finland's car stock changes slowly, and the share of petrol and diesel cars of the entire car stock was approximately 95 percent. Finland's passenger car stock grew from the previous year and continued to age. (Traficom, the Finnish Information Center of Automobile Sector).

Sweden

In Sweden, the government did not set restrictions affecting showroom operations, but the uncertainty in society caused by the pandemic was reflected in people's shopping behavior and consumer retail in Sweden as well. The pandemic had a significant effect on new car retail. The active export of used cars from Sweden continued, supported by the weak exchange rate of the Swedish krona.

In accordance with the bonus-malus scheme introduced in Sweden in 2018, the taxation of high-emission cars will continue to increase, and tax reliefs will be directed at cars with low calculated emissions. The share of electric and natural gas cars continues to increase, and especially the share of plug-in hybrids of all first-time registered cars grew significantly in 2020. In 2020, petrol and diesel cars constituted approximately 60% of first-time registrations (Trafikanalys).

Used car retail showed clear signs of the largest players wanting to grow their market position by using the exceptional operating environment. Kamux fared well in this competition, and the company estimates that it strengthened its

foothold in the market during 2020 among the ten biggest used car retailers in Sweden. Our market share, however, is still less than one percent of the entire used car market. The used car market grew from 2019.

Germany

Of Kamux's operating countries, Germany introduced the strictest restrictions to curb the spread of the corona pandemic. Extensive measures at the societal level meant strict restrictions on individuals' gathering and mobility as well as on the operation of brick-and-mortar stores at the end of the first quarter and again in December. The restrictive measures caused uncertainty in consumers, and purchase decisions were postponed especially during the spring.

The pandemic practically halted the production of new cars in Germany, and new car sales in the country plunged. The challenges of new car retail did not directly affect Kamux's operations, however. The German market is large, and Kamux is a relatively small player whose business is not affected as much by market fluctuations.

According to statistics by Kraftfahrt-Bundesamt, the number of first-time registered cars in Germany declined and was 2.9 million in 2020. Petrol and diesel cars constituted approximately 75 percent of first-time registrations. The used car market declined from 2019.

GROUP REVENUE AND PROFIT IN 2020

Revenue increased by 10.0% compared to the previous year and amounted to EUR 724.1 million (1-12/2019: 658.5). The increase in revenue was driven by the opening of new showrooms. The number of cars sold by Kamux in Finland, Sweden and Germany amounted to 60,657 (55,432). In connection with the sale of used cars Kamux offers its customers commission-based services such as insurance and financing services, and a liability extension, Kamux Plus, that

supplements the seller's statutory liability. Kamux's integrated services revenue was EUR 37.1 million (32.9).

The adjusted operating profit increased by 20.8% and amounted to EUR 30.7 million (25.4), or 4.2% (3.9) of revenue. The adjustment items to the operating profit totaled EUR -0.5 million (0.1) for 2020. The adjustment items include EUR 0.5 million income from tax refunds related to taxes from previous financial years.

Kamux's operating profit increased by 23.1% as compared to the previous year, amounting to EUR 31.2 million (25.3).

Net financial items were EUR -2.7 million (-1.0). Net financial costs increased due to strong growth in car purchases from Sweden and rapid strengthening of Swedish krona against euro towards the end of the financial year.

The result before taxes amounted to EUR 28.5 million (24.4). Taxes amounted to EUR 5.2 million (5.3). The effective tax rate for the financial year is 18% (22%). At the end of the financial year a deferred tax asset EUR 0.8 million was recognized from the Swedish business and that decreased the income tax for the financial year. Profit for the year amounted to EUR 23.3 million (19.0).

The basic earnings per share amounted to EUR 0.58 (0.48).

SEGMENTS

Finland 2020

Revenue increased by 4.3% compared to the previous year, amounting to EUR 512.1 million (490.9). The number of cars sold during 2020 increased by 2,031, or 4.7% compared to the previous year, amounting to 45,435 (43,404). The growth was based on the sales of new showrooms. Integrated services revenue increased to EUR 31.4 million (28.4) during 2020, or 6.1% of revenue (5.8). Operating profit increased by 19.0% compared to the previous year, amounting to EUR 34.9 million (29.4), or 6.8% of the revenue (6.0). Finland's operating profit was impacted by a

EUR 0.9 million refund related to previous financial years' taxes that was recognized as credit in other operating expenses in the second quarter.

In January 2020, Kamux opened new showrooms in Espoo Niittykumpu and in Tornio.

The restrictions related to the corona pandemic could be seen especially in March and April in people's mobility, behavior and purchasing power. In the summer, the situation returned partially to normal, but the second wave of the pandemic began in August–September, and escalated towards the end of the year. The number of coronavirus infections in Finland grew in October–December, and our showrooms had to resort to different substitute arrangements due to quarantines.

Sweden 2020

Total revenue increased by 35.9% compared to the previous year, amounting to EUR 215.5 million (158.5). External revenue increased by 26.4%, amounting to EUR 148.5 million (117.5). The number of cars sold during 2020 increased by 2,222 or 26.9%, and amounted to 10,485 (8,263). The growth was driven by the sales of new showrooms as well as the sales growth of like-for-like showrooms.

Integrated services revenue increased to EUR 3.7 million (2.8), or 2.5% (2.4) of the external revenue. Operating profit increased compared to the previous year, amounting to EUR 2.4 million (1.3), or 1.1% of the total revenue (0.8).

In May–June 2020, Kamux opened new showrooms in Stockholm, Sundsvall and Värmdö.

In Sweden, the corona pandemic reflected in consumer behavior and thus, in growth and profitability, especially in the second quarter. In autumn after the summer's relatively calm situation, the number of infections started to rise rapidly towards the end of the year having an effect on people's mobility and shopping behavior.

Staff quarantines required special arrangements in Kamux's showrooms during the year.

Germany 2020

Total revenue increased by 28.4% compared to the previous year, amounting to EUR 67.0 million (52.2). External revenue increased by 26.4%, amounting to EUR 63.4 million (50.1). The number of cars sold during 2020 increased by 972 or 25.8% compared to the previous year, amounting to 4,737 (3,765). The growth was based on the sales of new showrooms.

Integrated services revenue increased to EUR 2.0 million (1.7), or 3.2% (3.5) of the external revenue. Operating loss of Germany segment increased compared to the previous year, amounting to EUR -1.5 million (-1.0), or -2.3% of the total revenue (-2.0).

In April 2020, Kamux opened new showroom in Kaltenkirchen and in September in Lübeck.

Germany was under an extensive lockdown in the spring. During summer, restrictions were lighter. The second wave of the pandemic caused an increase in the number of infections in the autumn, and on December 16, the German government again initiated large-scale lockdown measures on society and retail, resulting in Kamux closing its showrooms as well.

CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

The group's consolidated balance sheet total amounted to EUR 191.3 million as of December 31, 2020 (181.5), of which total equity amounted to EUR 95.7 million (81.7). The amount of net debt was EUR 53.5 million (38.5). Non-current bank loans amounted to EUR 14.9 million (16.5). The balance sheet of the company is strong, allowing business growth in line with our strategy.

On March 31, 2020 Kamux renewed the five-year credit

facility agreement of EUR 40 million with Nordea Bank Corporation. The renewed credit facility agreement includes a five-year term loan of EUR 18 million and a five-year revolving credit facility of EUR 22 million. In addition to the revolving credit facility, Kamux has a lease guarantee facility of EUR 0.4 million. At the end of the reporting period, EUR 16.9 million of the term-loan was taken into use. In March, EUR 10.0 million of the revolving credit facility was taken into use as a precautionary measure related to the corona pandemic and it was paid back fully in December. The term loan is currently repaid in bi-annual instalments of EUR 1.0 million. The renewed credit facility agreement strengthens Kamux's financial position and decreases financing costs.

Net working capital amounted to EUR 79.3 million as of December 31, 2020 (55.3). Value of inventory amounted to EUR 93.6 million (70.2).

Kamux's cash flow from operating activities during year 2020 amounted to EUR 10.2 million (33.3). Cash and cash equivalents at the end of the period amounted to EUR 11.2 million (27.6).

Equity ratio at the end of the year 2020 was 50.1% (41.5). Return on capital employed (ROI) was 16.9% (16.7) and return on equity (ROE) was 26.3% (25.3).

CAPITAL EXPENDITURE, RESEARCH AND DEVELOPMENT

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

Kamux's capital expenditure for 2020 amounted to EUR 4.9 million (2.7). The capital expenditure consisted mainly of IT systems, Autosilta business acquisition and ordinary maintenance in the showrooms. The company financed these capital expenditure with its existing cash and cash

equivalents as well as cash flow from operations.

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

CHANGES IN THE GROUP STRUCTURE IN 2020

In January 2020, Kamux Suomi Oy, a subsidiary of Kamux Corporation, acquired the Autosilta car retail business from Jagro Oy. On January 10, 2020 Kamux opened a new showroom in Espoo Niittykumpu in the former premises of Autosilta.

BOARD OF DIRECTORS

Kamux's Board of Directors consisted of the following members at the beginning of 2020: Mr. Matti Virtanen, Ms. Reija Laaksonen, Mr. David Nuutinen, Mr. Jokke Paananen and Mr. Harri Sivula.

On April 21, 2020 The Annual General Meeting confirmed that the Board of Directors will consist of six members and Mr. Harri Sivula, Ms. Reija Laaksonen, Mr. David Nuutinen, Mr. Jokke Paananen were re-elected as members of the Board of Directors and Mr. Antti Mäkelä and Mr. Tuomo Vähäpassi were elected as new members of the Board of Directors. The Annual General Meeting elected Mr. Harri Sivula as the Chairman of the Board and Mr. David Nuutinen as the Vice Chairman of the Board.

AUDIT COMMITTEE

Kamux's Audit Committee consisted of the following members at the beginning of 2020: Mr. Harri Sivula (Chairman), Ms. Reija Laaksonen and Mr. David Nuutinen. In its constitutive meeting convening after the Annual General Meeting on April 21, 2020, the Board of Directors decided to appoint Mr. David Nuutinen (Chairman), Ms. Reija Laaksonen and Mr. Antti Mäkelä as the members of the Audit Committee.

KAMUX'S SHAREHOLDERS' NOMINATION BOARD

Kamux's Shareholders' Nomination Board was established on September 30, 2020, according to the resolution of the Annual General Meeting. The following members were nominated to Kamux's Shareholders' Nomination Board: Mr. Terho Kalliokoski (Chairperson of the Nomination Board), Mr. Jan Lehtinen, Mr. Esko Torsti and Mr. Harri Sivula.

MANAGEMENT TEAM

Kamux Management Team consisted of the following members in the beginning of 2020: CEO Juha Kalliokoski, CFO Marko Lehtonen, Country Director Finland Tommi Iiskonmäki, Chief Digital Officer (CDO) Mikko-Heikki Inkeroinen, Chief People Officer (CPO) Olli Kilpi, Director of Communications Satu Ojala, Purchasing Director Tero Törmänen, Director of Business Development Vesa Uotila and Director of International Business Ilkka Virtanen.

Mr. Olli Kilpi resigned to take up new responsibilities outside the company and he continued in his position until May 22, 2020.

MANAGEMENT HOLDINGS

Holdings of the Board of Directors, CEO and Management Team of the Company's outstanding shares as of December 31, 2020 were as follows:

	Ownership
Members of the Board of Directors	0.3 %
CEO	15.3 %
Other Management Team	0.4 %

PERSONNEL

Kamux's number of employees on December 31, 2020 was 1,176 (934), including all active full-time and part-time employees. The number of personnel in the Group converted to full-time equivalent (FTE) employees was 713 (595).

The Group's total number of personnel grew by 118 FTEs during the year. The growth in the number of personnel is due to the opening of new showrooms in Finland, Sweden and Germany, as well as the increase of staff in existing showrooms and head-office.

	2020	2019
Employees December 31	1,176	934
FTE employees on average	713	595
Wages and salaries (EUR million)	32.2	28.0

The average number of FTE employees was divided by country as follows:

	2020	2019
Finland	492	425
Sweden	154	123
Germany	67	47

STATEMENT OF NON-FINANCIAL INFORMATION

Operating model and value creation

Kamux's operating model is focused on used car retail. The cornerstones of the company's omnichannel business model are professional sourcing and sales, rapid inventory turnover, low fixed costs and integrated services. Our vision is to be the number one retail chain specializing in used car sales in Europe.

The used car market is large and fragmented, which combined with the company's business model offers attractive growth potential. The core of our growth strategy comprises continuous profitable growth, excellent customer experience and skilled personnel.

Kamux's strong and profitable growth enables value creation for different stakeholders and for society as a whole. Our most significant impacts concern societal value

creation and impacts, such as supporting mobility and societal infrastructure and renewing Finland's car fleet. Economic and social impacts are seen, for example, in tax payments and employment around Finland. Kamux financial targets for years 2019–2022 includes distribution of dividends of at least 30 percent of net profits.

Our ways of working

Sustainable ways of working are central for the company's business, its development and the relations between Kamux and its stakeholders. Kamux complies with the laws, rules and regulations in force in each of its operating countries. Taxes and other payments are carried out in accordance with local legislation.

Responsibility, ethics, honesty and equality are a part of Kamux employees' everyday actions. Kamux's values are teamwork, joy and drive; freedom and accountability; happy customers; profitable business and responsibility.

In 2020, we revised the topics related to our three responsibility themes. The themes themselves remained the same: sensible choices, worth the trust, and enthusiasm for work. Each theme includes the topics deemed material as well as related goals and performance metrics. The responsibility themes are based on a materiality analysis conducted in 2019. For the materiality analysis, we used our customers' feedback and questions as the stakeholder viewpoint, as well as interviews with analysts and investors and the information gathered from employee surveys. Kamux's key stakeholders include our customers, personnel, owners, partners, authorities and decision-makers as well as the car industry. In terms of the topics, we increased emphasis on the customer perspective. Transparency, i.e. reliable information on cars, is material to us and our customers. In terms of personnel, career possibilities and skills development are strongly on our agenda.

The figures presented in this statement of non-financial information cover the material topics in question. We will continue and develop monitoring and data collection in the coming years. We are also committed to promoting the UN Sustainable Development Goals in our operations.

Code of Conduct and policies

Kamux wants to be a car retail forerunner in building a culture of trust and openness. The company's operations, management and governance are on all markets based on Kamux's Code of Conduct, good governance and careful compliance with current requirements.

Kamux also expects all suppliers of cars, services or goods to comply with the Code of Conduct. The principles are included in the company's procurement policy. Other key policies and principles include, for example, the diversity policy approved by Kamux's Board of Directors.

Corporate responsibility risk management

Risks related to corporate responsibility are identified and managed as a part of Kamux's comprehensive risk management work. In addition, responsibility topics, including the related risks, are discussed in every Management Team meeting, and they form a part of the Board of Directors' reporting package.

The company has an anonymous whistle blowing channel for reporting any possible actions violating the Code of Conduct, possible misconduct or suspicions of misconduct. There is also a general feedback email available on the company's website. In 2020, we did not receive any whistle blowing notifications.

Environmental matters

Sensible choices

Kamux supports the national energy and climate strategy

and emissions reduction targets. We want many people to have a possibility to buy a newer, lower emission vehicle. As the CO₂ emissions of the car manufacturing industry are high, existing vehicles should be used in a sensible way to the end of their life-cycle and the remaining materials re-used within the circular economy. Kamux's operations are based on recycling and they are part of a circular economy where non-renewable natural resources are saved through repairs, reusing and recycling. In 2020, we carried out maintenance and repair measures and equipment upgrades to 56 percent of the cars sold so that the cars will remain usable for the extent of their reasonable life-cycle.

We renew Finland's car stock by importing newer cars with lower CO₂ emissions compared to those currently used on Finnish roads on average. The average age of the cars imported by Kamux was 4.3 years in 2020, compared to the average age of approximately 12.5 years of passenger cars used in Finnish transportation in 2020, reported by the Finnish Information Centre of Automobile Sector.

In 2020, the CO₂ emissions of Kamux's imported cars were on average 130.7 g/km (NEDC). The average CO₂ emissions for passenger cars used in Finnish transportation were 153.5 g/km (NEDC) at the end of 2020. 29% of the cars we imported into Finland in 2020 were running on alternative power sources, including hybrids, electric, natural gas or ethanol cars, and they accounted for about 8% of all the cars we sold in Finland.

By investing in leading with knowledge, we aim to combine supply and demand. Thus, we can place the cars in our showrooms in a way that minimizes transferring them. Service, repair and cleaning are also done by local partners. We have instructed our personnel on driving in an economical and environmentally friendly way. The cars are fueled with only the necessary amount of fuel. Kamux's fuel consumption in 2020 was 29 liters per car sold.

We use recycled spare parts of high quality when possible. We minimize the amount of waste and recycle the waste we produce. In 2020, the amount of waste totaled 25.86 tons. The waste recovery rate was 95% and the recycling rate was 12%. This information covers 45 out of 50 showrooms in Finland. We restrain energy consumption in showrooms, focusing particularly on properties where we can directly influence the used energy solutions.

Social matters

Excellent customer experience

Kamux wants to offer the best customer experience in used car retail. The goal is for our customer interactions to be smooth, transparent and encourage recommendations. Kamux has set the customer satisfaction target level at 4.5/5. We achieved from all our markets an overall score of 4.3/5 (4.3/5). Customer satisfaction remained at the previous years level.

We aim to be the forerunner of car retail by being reliable, open and transparent. In every situation, we aim to offer customers detailed and reliable information on the cars for sale. By offering as detailed and transparent information as possible about the cars of interest to the customer, we aim to minimize post-sale disagreements and dispute cases requiring rectification. Our proposed solutions to customers are based on the life-cycle model and adhere to the recommendations and guidelines of local consumer authorities.

Due to the corona pandemic, we paid special attention to hygiene in showrooms and disinfected cars in connection with test drives to ensure the safety of our personnel and customers.

Partners

Kamux has approximately 5,000 local maintenance, repair and cleaning partners, including car purchase channels and partners. Our partners employ people in different parts of

the country in all Kamux's operating countries. We build close partnerships that are based on compliance with our Code of Conduct.

Personnel

Enthusiasm for work

An enthusiastic, committed and skilled personnel is the cornerstone of Kamux's operations. Kamux is a fair workplace that ensures employee engagement by providing career paths, training and a motivating reward system. In 2020, 50 Kamux employees switched from one role to another within the organization.

We did not temporarily lay off or discharge any employees due to the corona pandemic, an exception being the lockdown arrangements in Germany ordered by the government. Despite the pandemic, we recruited more personnel, and especially our sales organization grew as new showrooms were opened in Finland, Sweden and Germany. The average number of personnel working for us converted to full-time equivalent (FTE) employees was 713 (595) in 2020, an increase of 19.8 percent from the previous year. Results of the work satisfaction and well-being survey conducted in 2020 were 3.88 in Finland, 3.93 in Sweden and 3.78 in Germany.

The health percentage of our personnel was 53, which means that over half of our employees were not absent from work due to sickness during the year. We aim at zero accidents leading to absence from work. During 2020, a total of 8 (14) accidents occurred that led to absence from work, but there were no serious work-related accidents.

In 2020, we made more systematic efforts especially in monitoring the working capacity and resources of our personnel. On account of the corona pandemic, we reorganized the personnel's shifts and took country-specific recommendations and restrictions into account. In 2020, we continued

the systematic training of sales personnel and supervisors and adopted new approaches. Face-to-face trainings were held with consideration for safety, with additional trainings arranged with the help of an online portal and video connections. Training themes included, among others, customer encounters, feedback, and team leadership.

Diversity, equality and non-discrimination

Kamux is a responsible employer and aims to treat all employees equally, respecting their privacy, religious freedom as well as freedom of association and collective bargaining. In 2020, Kamux employees served their customers in 28 different languages. Converted to full-time equivalent employees, we employed 713 (595) people on average during 2020, of which 91 percent were male (91) and 9 percent were female (9). In 2020, our youngest employees were 15-year-old summer workers, and our oldest employees were 82-year-old car couriers. Among all employees, those under 25 accounted for about 26% and those over 55 for about 29%.

Kamux's diversity policy promotes balanced gender diversity when electing Board members and includes Board members having skills and experience in different business areas that complement each other and support the company's core functions. The diversity of the Board of Directors is supported by the diverse professional and educational background of members as well as consideration for the age distribution. The diversity goals defined in Kamux's diversity policy are evaluated to be adequately realized in 2020.

Human rights and preventing corruption and bribery

Kamux operates in accordance with the United Nations' Universal Declaration of Human Rights and the employees' rights defined by the International Labor Organization (ILO).

Respecting human rights highlights equality as an employer, a safe working environment, equal opportunities to develop as a car sales professional as well as diversity of management. Kamux does not tolerate human rights violations in any form. The company has zero tolerance for corruption and bribery. The awareness and readiness of personnel are developed through trainings and internal guidelines.

RISK MANAGEMENT

The aim of risk management is to ensure the keeping of customer promises, profit development, the ability to pay dividends, shareholder value, responsible operating practices and the continuity of business. Kamux has harmonized and efficient methods to identify, assess and manage risks and their consequences. Kamux complies with the internal control and risk management principles approved by the company's Board of Directors.

Risk management is a systematic activity, the purpose of which is to guarantee comprehensive and appropriate identification, assessment, management and monitoring of risks. It is an essential part of Kamux's planning and management process, decision-making, daily leadership, operations and supervision and reporting procedures. Risks are assessed and managed in a business-oriented fashion and comprehensively. This means that the key risks are identified, assessed, managed, monitored and reported on systematically as part of the business.

Kamux only takes conscious and calculated risks in expanding its business, strengthening its market position and creating new business. In assessing the risks, the company takes into account not only economic aspects but also the impact on people, the environment and reputation. Kamux creates a safe working environment for employees and minimizes the potential for crime or misconduct. The company secures business-critical operations and the

resources needed to ensure continuity. Kamux prepares for the realization of risks, for example, by maintaining adequate insurance coverage and information security.

The Group's CEO and other members of the Management Team each have their own responsibility areas. The Management Team regularly reports to the Board on risks and risk management actions. The Board reviews most significant risks, measures to manage them, and assesses the effectiveness of risk management. The CFO is responsible for the coordination of risk management. Kamux has created common operating principles in its Code of Conduct, which is available in Finnish, Swedish, German and English. The Code of Conduct is one part of pre-emptive risk management.

Kamux considers its most significant risks to be:

Economic risks and general competitive situation

General economic conditions may have an adverse effect on the used car retail market in which Kamux operates. The risk is managed by closely monitoring the general economic development and its impact on Kamux's business. Other risks related to the economy include interest rate, financing and tax risks, which are monitored and mitigated as described in the Group's Treasury Policy.

The used car retail market is highly fragmented, and Kamux's competitors range from large nationwide brand dealerships to private individuals in all of its geographical markets. Kamux responds to tightening competition through continuous competitive situation assessment and development of the Kamux concept.

Kamux offers its customers third-party financing products, which are significant for Kamux's profit-making ability. Potential considerable changes in credit granting by financial institutions, interest rates offered to customers or the financial situation of an individual financial institution may impact the supply and competitiveness

of financing products in the market. Kamux closely monitors the development of customer funding in the market and cooperates with several leading financial institutions in different markets.

Changes or expected changes in car taxes also affect the demand for used cars, especially in Finland, where car taxes form a significant part of the car's price. Political debate or political decisions about possible emission limitations and bans, car- or fuel taxes and increased safety requirements may, if implemented, affect the development of the used car market.

The lively public debate on the alternative power sources of vehicles has continued in 2020. Kamux's offering also includes alternative power sources and their share of imported cars in particular has been considerable. Quick changes in the attractiveness and pricing of different power sources may impact the market prices of used cars. Kamux operationally manages the risk related to inventory valuation by paying continuous attention to sufficiently fast inventory turnover and by monitoring industry trends regarding power sources.

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

Reputation risk

Kamux's brand and reputation among customers and other stakeholders are important factors of success. Kamux

works to minimize reputation risk by monitoring the development of customer satisfaction, maintaining high customer service levels and operating in a responsible way.

Personnel risk

Skilled employees deliver Kamux's performance. Kamux's human resource strategy identifies employees as the most important resource of the Group, and employees are instrumental in achieving set business goals. Managing personnel growth has been identified as a risk. Personnel risk is minimized through a systematic recruitment process, tracking and developing employee satisfaction and well-being, training and a rewarding incentive system.

Failures in IT systems and processing of customer confidential information

Kamux's IT systems are especially important and cover all key business areas such as customer information, inventory monitoring, logistics, human resources, finance and other administrative systems. Kamux collects, processes and retains confidential customer information in connection with its normal business. The business premises and systems of Kamux and its external service providers may be exposed to risks related to unauthorized use, misuse, employee mistakes or misconduct, computer viruses, hacker attacks or other similar threats. Kamux aims to prevent failures by means defined in its information security strategy.

DECISIONS OF THE ANNUAL GENERAL MEETING AND THE CONSTITUTIVE MEETING OF THE BOARD OF DIRECTORS AND AUTHORIZATIONS

Decisions of the Annual General Meeting

Kamux Corporation's Annual General Meeting was held on Tuesday, April 21, 2020 in exceptional circumstances caused by the corona pandemic, observing the participant

restrictions set by the authorities. Shareholders were offered the possibility to use their voting rights through a power of attorney service and to follow the meeting as a live video stream. The Meeting approved the Financial Statements and discharged the members of the Board of Directors and CEO from liability for the year of 2019. Further, The Annual General Meeting approved the Remuneration Policy for the Governing Bodies. The Board of Directors' proposal for a dividend of EUR 0.23 per share was approved. The dividend was paid in two instalments. The record date for the first dividend instalment was April 23, 2020 and the dividend was paid on April 30, 2020. The Annual General Meeting authorized the Board of Directors to decide on the payment or the cancellation of the payment of the second dividend instalment.

On August 13, 2020, the Board of Directors of Kamux Corporation decided on the payment of the second dividend instalment of EUR 0.11 per share, based on the decision of the Annual General Meeting on April 21, 2020. The record date for the second dividend instalment was October 23, 2020 and the dividend was paid on October 30, 2020.

The Annual General Meeting confirmed that the Board of Directors will consist of six members and Mr. Harri Sivula, Ms. Reija Laaksonen, Mr. David Nuutinen, Mr. Jokke Paananen were re-elected as members of the Board of Directors and Mr. Antti Mäkelä and Mr. Tuomo Vähäpassi were elected as new members of the Board of Directors. The Annual General Meeting elected Mr. Harri Sivula as the Chairman of the Board and Mr. David Nuutinen as the Vice Chairman of the Board.

The Annual General Meeting resolved that an annual compensation of EUR 60,000 be paid to the Chairman of the Board and EUR 30,000 to the Board Members, and an additional compensation of EUR 5,000 per year to the Chairman of the Audit Committee and EUR 2,500 to each

member of the Audit 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 the 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, including the previously given authorization that has been given for the Company's share-based incentive schemes and would have ended on April 26, 2021. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until June 30, 2021.

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 approximately 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, 2021. 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.

ESTABLISHMENT OF A SHAREHOLDERS' NOMINATION BOARD

The Annual General Meeting resolved in accordance with the proposal of the Board of Directors to establish a Shareholders' Nomination Board and to approve the Rules of Procedure for the Shareholders' Nomination Board.

Kamux's Shareholders' Nomination Board was established on September 30, 2020, according to the resolution of the Annual General Meeting. The purpose of the Shareholders' Nomination Board is to annually prepare and present to the Annual General Meeting, and

to Extraordinary General Meeting when necessary, the proposals for the composition of the Board of Directors (the amount of members and the persons) and for the remuneration in accordance with the Remuneration Policy for the Governing Bodies. In addition, the Nomination Board's duty is to look for successor candidates for the Board Members and to prepare the Board of Directors' principles regarding diversity. The Nomination Board consists of four members. The right to appoint members representing the shareholders belongs to the three shareholders, whose proportions of the votes of all shares of the Company are the largest, according to the shareholder register on the first business day of September preceding the Annual General Meeting. In addition, the Chairperson of the Board of Directors is a member of the Nomination Board. The following members have been nominated to Kamux's Shareholders' Nomination Board: Terho Kalliokoski, representing shareholders Juha Kalliokoski and Callardo Capital Oy (Chairperson of the Nomination Board), Jan Lehtinen, representing shareholder Elo Mutual Pension Insurance Company, Esko Torsti, representing shareholder Ilmarinen Mutual Pension Insurance Company, and Harri Sivula, Chairperson of the Board of Kamux Corporation.

Decisions of the Constitutive Meeting of the Board of Directors

In its constitutive meeting convening after the Annual General Meeting on April 21, 2020, the Board of Directors decided to appoint Mr. David Nuutinen (Chairman), Ms. Reija Laaksonen and Mr. Antti Mäkelä 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 Mr. Harri Sivula, Ms. Reija Laaksonen,

Mr. Antti Mäkelä, Mr. David Nuutinen and Mr. Tuomo Vähäpassi are independent from the company and its significant shareholders, and Mr. Jokke Paananen is independent from the company.

SHARE-BASED INCENTIVE SCHEME

On January 16, 2020, 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 2020. The incentive scheme approved for 2019 is the third scheme approved on the basis of the decision made by the Board of Directors on April 27, 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 16, 2020. In April 2020, the company issued a total of 40,729 new shares in a share issue without consideration directed to the key personnel of the Kamux Group for the payment of share-based incentive scheme of 2019. In the Note 5.3 to the consolidated financial statements are disclosed information about the share-based incentive scheme.

TREASURY SHARES

In March, the company acquired a total of 82,360 treasury shares for the payment of the share-based incentive scheme of the company. In April 2020, the company issued a total of 40,729 shares held by the company to the key personnel of the Kamux Group for the payment of the share-based incentive scheme of 2019. In May, the company transferred to the Members of the Board of Directors a total of 11,668 shares held by the company as a part of the annual compensation. In 2020, a total of 2,445 shares in June, 1,231 shares in October and 7,745 shares in November were returned to the company without consideration due to the termination of employment of persons covered by

the scheme. At the end of the review period, the company held 43,707 treasury shares, representing 0.11% of all shares.

FLAGGING NOTICES

During year 2020, the company received notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act as follows:

On June 24, 2020, Intera Fund II Ky announced that the total holdings of shares and voting rights of Intera Fund II Ky in Kamux Corporation has fallen below the 15 percent flagging threshold.

On September 9, 2020, Intera Fund II Ky announced that the total holdings of shares and voting rights of Intera Fund II Ky in Kamux Corporation has fallen below the 5 percent flagging threshold.

PROPOSAL OF THE BOARD OF DIRECTORS FOR DISTRIBUTION OF PROFIT

On December 31, 2020 Kamux Corporation's distributable earnings totaled EUR 91,390,147.79 of which profit for the year was EUR 20,313,140.18. The Board of Directors proposes a dividend of EUR 0.24 per share to be distributed for the year 2020 and that the other distributable earnings be held in unrestricted equity (for the year 2019 a dividend of EUR 0.23 per share was distributed).

The Board proposes that the dividend for the financial year 2020 will be paid in two instalments. The first dividend instalment, EUR 0.11 per share, is to be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the first dividend instalment payment record date of April 23, 2021. The Board proposes that the first dividend instalment pay date be April 30, 2021. The second dividend instalment is to be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the second

dividend instalment payment record date of October 22, 2021. The Board proposes that the second dividend instalment pay date be October 29, 2021. The Board proposes that it be authorized to decide, if necessary, on a new dividend payment record date and pay date for the second instalment if the rules and statutes of the Finnish book-entry system change or otherwise so require.

EVENTS AFTER THE FINANCIAL YEAR

On January 5, 2021 Kamux announced that the Tampere Lielähti showroom will relocate to new premises.

On January 12, 2021 Kamux announced the opening of a mega store in Gothenburg.

On January 20, 2021 Kamux announced, that Germany extends lock-down and Kamux's car sales continues solely online.

On February 3, 2021 Marjo Nurmi (Master of Health Science, b. 1975) was appointed as Chief People Officer and as Member of the Management Team of Kamux Corporation.

On February 26, 2021 published its strategy for the period 2021-2023.

On February 26, 2021 the Board of Directors of Kamux Corporation decided to approve the new long-term incentive plan for the Group's key persons for 2021-2023.

ESTIMATE OF FUTURE DEVELOPMENT

In connection with the updated strategy published on February 26, 2021, Kamux published its medium-term financial targets for the years 2021-2023. The company's medium-term financial targets are to increase revenue by over 20% annually, to increase adjusted operating profit annually, and to reach an adjusted operating profit margin of over 3.5% and a return on equity (ROE) of over 25%. Additionally, the company's target is to distribute dividends of at least 25% of net profits.

The Board of Directors of the Company estimates annually the balance between dividends to be distributed and funds to be used for Kamux's growth and based on this assessment, makes a proposal on the amount of dividends to be distributed, which may for any single year differ significantly from the target level set in the dividend policy.

Outlook for the year 2021

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

Previous targets

The company's previous medium-term annual financial targets for 2019-2022 were to increase revenue by over 10% and to reach an operating profit margin of at least 4% as well as a dividend payout of at least 30% of the profit for the financial year.

The global corona pandemic and the restrictions and regulations related to it caused significant changes to Kamux's operating environment during 2020. The company published a stock exchange release on March 20, 2020, informing that it is not likely that Kamux will reach its medium-term targets in 2020. No changes were made to the medium-term targets set by the Board of Directors.

Kamux specified its outlook for 2020 in a stock exchange release published on December 16, 2020: according to the best estimate of that time, the company estimated to reach the 2020 medium-term target of operating profit margin and to reach or get close to the revenue growth target.

Hämeenlinna February 25, 2021
Kamux Corporation
Board of Directors

SHARES AND SHARE OWNERSHIP

SHARE

Kamux Corporation's share capital at the end of the financial year was EUR 80,000 and the number of shares was 40,017,420. The company has one class of shares and each share has one vote at the company's general meeting. In March, the company acquired a total of 82,360 treasury shares for the payment of the share-based incentive scheme of the company. In April 2020, the company issued a total of 40,729 shares held by the company to the key personnel of the Kamux Group for the payment of the share-based incentive scheme of 2019. In May, the company transferred to the Members of the Board of Directors a total of 11,668 shares held by the company as a part of the annual compensation. In 2020, a total of 2,445 shares in June, 1,231 shares in October and 7,745 shares in November were returned to the company without consideration due to the termination of employment of persons covered by the scheme. At the end of the financial year, the company held 43,707 treasury shares, representing 0.11% of all shares.

During the financial year, a total of 33,287,962 Kamux shares (14,710,255) were traded on the Nasdaq Helsinki marketplace. The highest trading price for the financial year was EUR 13.76 (7.62) and the lowest EUR 5.14 (4.50). The closing price of the share on the last trading day on December 30, 2020 was EUR 13.60 (7.40). The trade volume weighted average price of the Kamux share during the year was EUR 8.97 (6.14). The market value of the share capital without treasury shares was

EUR 543.6 million (296.1) at the end of the year. The trading symbol on the Nasdaq Helsinki main market is KAMUX, and Kamux is classified as a medium-sized company in the Retail sector.

SHAREHOLDERS AND FLAGGING

At the end of 2020, the number of registered shareholders was 13,930 (8,475), including 11 (9) nominee registered shareholders. Kamux's largest shareholders on December 31, 2020 were Juha Kalliokoski including both the shares owned by Juha Kalliokoski and by an investment company controlled by closely associated persons to Juha Kalliokoski (15.26%), Elo Mutual Pension Insurance Company (9.13%) and Jussi Mäkinen (3.42%).

In accordance with the rules of the Securities Market Act, shareholders of publicly listed companies must notify both the Financial Supervisory Authority and the listing company of changes in their holdings. During 2020, the company received notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act as follows:

On June 24, 2020, Intera Fund II Ky announced that the total holdings of shares and voting rights of Intera Fund II Ky in Kamux Corporation has fallen below the 15 percent flagging threshold.

On September 9, 2020, Intera Fund II Ky announced that the total holdings of shares and voting rights of Intera Fund II Ky in Kamux Corporation has fallen below the 5 percent flagging threshold.

LARGEST SHAREHOLDERS DECEMBER 31, 2020		Share ownership	% of shares
1	Kalliokoski Juha Antero	5,642,608	14.12
2	Elo Mutual Pension Insurance Company	3,647,778	9.13
3	Mäkinen Jussi Antero	1,368,127	3.42
4	Kalliola Jyri	1,367,300	3.42
5	Ilmarinen Mutual Pension Insurance Company	1,010,349	2.53
6	Mutual fund Aktia Capital	890,442	2.23
7	Evli Finnish Small Cap Fund	683,000	1.71
8	OP-Finland Small Firms mutual fund	662,615	1.66
9	Mutual fund eQ Nordic Small Cap	580,000	1.45
10	Callardo Capital Oy	458,143	1.15
11	Fondita Nordic Small Cap Investment Fund	380,000	0.95
12	Mutual Fund Säästöpankki Small Cap	358,298	0.90
13	Mutual Fund Säästöpankki Domestic	349,193	0.87
14	Mutual Fund Taaleritehdas Mikro Markka	338,510	0.85
15	Mutual Fund Säästöpankki Baltic Sea	338,000	0.85
16	Pelkonen Henri Tapio	325,694	0.81
17	Pihlaja Ari Kalevi	264,061	0.66
18	Mänty Tero Juho	261,502	0.65
19	Fondita Nordic Micro Cap Investment Fund	250,000	0.63
20	Salmela Jussi Pekka	209,346	0.52
20 largest shareholders in total		19,384,966	48.49

Excludes nominee registered shares and treasury shares. As of December 31, 2020, Kamux held 43,707 treasury shares.

Kamux has received the following notifications of nominee registered owners on December 31, 2020: Investment funds managed by Swedbank Robur owned a total of 2,510,793 shares, corresponding to 6.28 % of the outstanding shares and votes of the company. Investment funds managed by Creades owned a total of 1,518,180 shares, corresponding to 3.80 % of the outstanding shares and votes of the company.

**OWNERSHIP BY SECTOR,
DECEMBER 31, 2020**

	Owners	% of owners	Shares	% of shares
Foreign owners	23	0.17	16,288	0.06
Households	13,332	95.71	16,109,898	56.46
Government entities	7	0.05	4,811,967	16.86
Financial and insurance institutions	41	0.29	4,112,433	14.41
Non-profit organizations	34	0.24	227,234	0.80
Companies and home associations	493	3.54	3,254,545	11.41
Total	13,930	100.00	28,532,365	100.00

Includes only book-entry registered shareholders in Finland. The distribution of shareholdings is thus not illustrative of the distribution of the entire shareholding in the company.

**OWNERSHIP DISTRIBUTION BY SIZE,
DECEMBER 31, 2020**

Shares	Owners	% of owners	Shares	% of shares
1-100	5,788	41.55	268,937	0.67
101-500	5,473	39.29	1,391,303	3.48
501-1 000	1,407	10.10	1,076,638	2.69
1 001-5 000	1,042	7.48	2,145,815	5.36
5 001-10 000	102	0.73	738,371	1.85
10 001-50 000	75	0.54	1,664,542	4.16
50 001-100 000	10	0.07	667,429	1.67
100 001-500 000	21	0.15	5,086,154	12.71
500 001-	12	0.09	26,978,231	67.42
Total	13,930	100.00	40,017,420	100.00

Includes the treasury shares held by Kamux Corporation.

KEY PERFORMANCE MEASURES

STATEMENT OF COMPREHENSIVE INCOME	2020	2019	2018***
Revenue	724.1	658.5	527,8
revenue growth, %	10.0%	24.8%	16,0%
Gross profit	91.5	79.6	64,9
as percentage of revenue, %	12.6%	12.1%	12,3%
Earnings before interest, tax, depreciation and amortization (EBITDA)	40.8	33.7	20,2
as percentage of revenue, %	5.6%	5.1%	3,8%
Operating profit (EBIT)	31.2	25.3	18,9
as percentage of revenue, %	4.3%	3.8%	3,6%
Adjusted operating profit	30.7	25.4	21,9
as percentage of revenue, %	4.2%	3.9 %	4,1 %
BALANCE SHEET			
Equity	95.7	81.7	68,9
Non-current liabilities	54.5	55.7	20,0
Current liabilities	41.2	44.1	26,1
Balance sheet total	191.3	181.5	115,0
Net debt	53.5	38.5	9,6
Net working capital	79.3	55.3	61,2
Inventories	93.6	70.2	71,0
OTHER INFORMATION			
Number of cars sold	60,657	55,432	46 596
Gross profit per sold car	1,509	1,437	1 392
Sales growth of like-for-like showrooms, %	-3.8%	6.3%	5,6%
Inventory turnover, days	47.2	44.5	49,6
Capital expenditures	4.9	2.7	1,3
Average number of employees during the period	713	595	472

KEY FIGURES	2020	2019	2018***
Return on equity (ROE), %	26.3%	25.3%	22.9%
Return on capital employed (ROI), %	16.9%	16.7%	16.2%
Equity ratio, %	50.1%	45.1%	60.0%
Gearing, %	55.9%	47.2%	14.0%
PER SHARE DATA	2020	2019	2018***
Earnings per share, basic, €	0.58	0.48	0.37
Cash flows from operating activities per share, €	0.26	0.83	0.07
Shareholders' equity per share, €	2.26	2.04	1.72
Dividend per share, €	0.24*	0.23	0.16
Payout ratio, %	41.1%	48.4%	43.7%
Effective dividend yield, %	1.8%	3.1%	2.9%
Price/earnings (P/E) ratio	23.3	15.6	14.9
Highest share price, €	13.76	7.62	7.48
Lowest share price, €	5.14	4.50	5.20
Share price on December 31, €	13.60	7.40	5.44
Market capitalization of share stock, € million**	543.6	296.1	217.5
Turnover of shares, total, (1,000 shares)	33,288	14,710	1,498
Relative turnover of shares, total, %	83.3%	36.8%	3.7%
Average no. of shares (1,000 shares), basic**	39,931	40,004	39,987
Average no. of shares (1,000 shares), diluted**	39,955	40,017	39,996
Total no. of shares (1,000 shares) on December 31**	39,974	40,015	39,987

*Proposal of the Board of Directors to the Annual General Meeting

**Excluding treasury shares

*** Key performance measures for year 2018 have not been adjusted to be in accordance with IFRS 16 Leases standard.

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.

TAX REASSESSMENT DECISION

In year 2018, Kamux 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 of 2018. However, Kamux considered the decision to be unfounded and appealed against the decision.

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

RECONCILIATION OF ADJUSTED OPERATING PROFIT

EUR million	2020	2019
Operating profit (EBIT)	31.2	25.3
Strategic investigations	0.0	0.1
Special items relating to geographical expansion	-	0.0
Taxes related to previous financial years	-0.5	-
Total adjustment items	-0.5	0.1
Adjusted operating profit	30.7	25.4


CALCULATION OF KEY FIGURES

Gross profit	=	Revenue + Other operating income – Materials and services	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
Earnings before interest, tax, depreciation, and amortization (EBITDA)	=	Operating profit + Depreciation and amortization	Dividend per share, EUR	=	Dividend per share approved by the Annual General Meeting with respect to the most recent year, the Board's proposal to the AGM
Adjusted operating profit (EBIT)	=	Operating profit adjusted for special items relating to strategic planning, geographical expansion of business and taxes related to previous financial years.	Payout ratio, %	=	$100 \times \frac{\text{Dividend/share}}{\text{Share of EPS belonging to parent company owners}}$
Net debt	=	Non-current borrowings + Current borrowings + Lease liabilities – Cash and cash equivalents	Effective dividend yield, %	=	$100 \times \frac{\text{Dividend/share adjusted for share issue}}{\text{Final quotation at close of period adjusted for share issue}}$
Financial debt	=	Non-current borrowings + Current borrowings	Price/earnings (P/E) ratio	=	$\frac{\text{Final quotation at close of period adjusted for share issue}}{\text{Share of EPS belonging to parent company owners}}$
Like-for-like showroom revenue growth	=	$100 \times \frac{\text{Like-for-like showroom car sales}}{\text{Like-for-like showroom car sales in the previous year}} - 1$) 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.	Shareholders' equity per share, EUR =	=	$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Basic number of shares at the end of period adjusted for share issue}}$
Inventory turnover	=	$365 \times \frac{\text{Inventories (average for 12 months)}}{\text{Materials and services (rolling 12 months)}}$	Market capitalization of share stock, EUR	=	Number of shares x closing price at the end of period
Return on equity (ROE), %	=	$100 \times \frac{\text{Profit for the period (rolling 12 months)}}{\text{Equity (average for 12 months)}}$			
Return on capital employed (ROI), %	=	$100 \times \frac{\text{Profit for the period + Finance costs (rolling 12 months)}}{\text{Equity + Financial debt (average for 12 months)}}$			
Equity ratio, %	=	$100 \times \frac{\text{Equity}}{\text{Balance sheet total – Advance payments received}}$			
Gearing, %	=	$100 \times \frac{\text{Net debt}}{\text{Equity}}$			
Earnings per share, basic	=	$\frac{\text{Profit for the period (attributable to owners of the Company)}}{\text{Weighted average number of outstanding shares adjusted for share issue for the period}}$			



KAMUX CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

Kamux's (Company ID 2442327-8) business is based on an effective integrated business model in the sale of used cars. Kamux's goal is to continuously develop its operations and services to better meet customers' needs. In the presentation of consolidated financial statements, Kamux also focuses on information relevant to the users of financial statements and strives to report Kamux's financial performance in 2020 and 2019 clearly and concisely. In addition to primary statements the consolidated financial statements include five sections: Basis of Preparation and Information on Kamux, Key Performance Metrics of Kamux Group, Net Working Capital, Capital Management and Net Debt and Other Notes. Each part also explains related significant accounting principles. This manner of presenting information aims at providing the reader with a clear understanding of the Group's financial position and on how the applied accounting policies impact the figures presented in the financial statements.





PRIMARY STATEMENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

**CONSOLIDATED STATEMENT OF COMPREHENSIVE
INCOME**

CONSOLIDATED BALANCE SHEET

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CONSOLIDATED STATEMENT OF CASH FLOWS



CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

EUR million	Note	For the year ended December 31,	
		2020	2019
Revenue	2.2	724.1	658.5
Other operating income	2.2	1.3	0.8
Materials and services	2.3, 2.4	-633.8	-579.6
Personnel costs	2.4	-39.0	-34.3
Other operating expenses	2.4	-11.7	-11.7
Depreciation and amortization	2.4	-9.6	-8.4
Operating profit		31.2	25.3
Finance income and costs	4.2	-2.7	-1.0
Profit before income tax		28.5	24.4
Income tax	2.5	-5.2	-5.3
Profit for the period		23.3	19.0
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Translation differences		0.2	-0.0
Other comprehensive income for the period, net of tax		0.2	-0.0
Total comprehensive income for the period		23.5	19.0
Profit for the period attributable to owners of the Company		23.3	19.0
Total comprehensive income for the period attributable to owners of the Company		23.5	19.0
Earnings per share for profit attributable to owners of the Company	2.6		
Earnings per share, basic and diluted, EUR		0.58	0.48

The above consolidated statements of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

EUR million	Note	At December 31,	
		2020	2019
ASSETS			
Non-current assets			
Intangible assets	5.2	5.1	2.1
Goodwill	5.1, 5.2	14.0	13.6
Property, plant and equipment	5.2	2.4	2.2
Lease assets	5.2	46.9	46.4
Other receivables		0.2	0.1
Deferred tax assets	5.5	1.3	0.4
Total non-current assets		69.9	64.8
Current assets			
Inventories	3.1	93.6	70.2
Trade and other receivables	3.2	16.6	18.4
Derivative financial instruments	4.1	-	0.2
Current tax assets		0.0	0.2
Cash and cash equivalents	4.1	11.2	27.6
Total current assets		121.4	116.6
TOTAL ASSETS		191.3	181.5

EUR million	Note	At December 31,	
		2020	2019
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	5.4	0.1	0.1
Reserve for invested unrestricted equity		24.7	24.7
Translation differences		0.1	-0.1
Treasury shares		-0.2	-
Retained earnings		47.6	37.9
Profit for the period		23.3	19.0
Total equity attributable to owners of the Company		95.7	81.7
Non-current liabilities			
Borrowings	4.1	14.9	16.5
Lease liabilities	5.2	39.1	38.8
Other non-current liabilities		0.1	0.2
Provisions	3.4	0.4	0.4
Total non-current liabilities		54.5	55.7
Current liabilities			
Borrowings	4.1	2.0	3.0
Lease liabilities	5.2	8.6	7.9
Derivative financial instruments	4.1	0.0	-
Trade and other payables	3.3	27.3	29.7
Provisions	2.3, 3.4	3.1	2.7
Current income tax liabilities		0.1	0.8
Total current liabilities		41.2	44.1
Total liabilities		95.6	99.8
TOTAL EQUITY AND LIABILITIES		191.3	181.5

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

EUR million	Note	Share capital	Reserve for invested unrestricted equity	Translation differences	Treasury shares	Retained earnings	Total equity
Equity at Jan 1, 2020		0.1	24.7	-0.1	-	56.9	81.7
Profit for the period						23.3	23.3
Other comprehensive income				0.2			0.2
Total comprehensive income				0.2		23.3	23.5
Transactions with owners:							
Acquisition of treasury shares	5.4				-0.5		-0.5
Conveyance of treasury shares	5.4				0.3		0.3
Share-based payments	5.3					-0.1	-0.1
Dividends for owners						-9.2	-9.2
Equity at Dec 31, 2020		0.1	24.7	0.1	-0.2	71.0	95.7
Equity at Jan 1, 2019		0.1	24.7	-0.0	-	44.1	68.9
Profit for the period						19.0	19.0
Other comprehensive income				-0.0			-0.0
Total comprehensive income				-0.0		19.0	19.0
Transactions with owners:							
Share-based payments	5.3					0.2	0.2
Dividends for owners						-6.4	-6.4
Equity at Dec 31, 2019		0.1	24.7	-0.1	-	56.9	81.7

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CASH FLOWS

EUR million	Note	For the year ended December 31,	
		2020	2019
Cash flows from operating activities			
Profit for the period		23.3	19.0
Adjustments for:			
Depreciation and amortization	2.4	9.6	8.4
Finance income and costs	4.2	2.7	1.0
Change in provisions	2.3, 3.4	0.4	0.5
Write-down of inventories	3.1	0.2	-0.2
Income taxes	2.5	5.2	5.3
Other non-cash items		0.2	0.1
Changes in working capital:			
Change in trade receivables and other receivables	3.2	2.1	-4.6
Change in trade payables and other payables	3.3	-2.9	8.9
Change in inventories	3.1	-22.7	0.6
Interests paid		-1.1	-0.7
Other financial items, net		-0.1	-0.1
Income taxes paid		-6.6	-5.0
Net cash inflow (outflow) from operating activities		10.2	33.3
Cash flows from investing activities			
Investments in property, plant and equipment	5.2	-0.8	-1.0
Investments in intangible assets	5.2	-4.1	-1.8
Net cash inflow (outflow) from investing activities		-4.9	-2.7

EUR million	Note	For the year ended December 31,	
		2020	2019
Cash flows from financing activities			
Purchase of treasury shares	5.4	-0.5	-
Proceeds from bank loans	4.1	10.0	-
Repayments of bank loans	4.1	-12.5	-3.0
Repayments of lease liabilities	5.2	-7.9	-6.9
Dividends paid		-9.2	-6.4
Other cash flows from financing activities		-0.0	0.1
Net cash inflow (outflow) from financing activities		-20.1	-16.2
Net decrease/increase in cash and cash equivalents		-14.7	14.4
Cash and cash equivalents at the beginning of the period		27.6	12.8
Effects of exchange rate changes on cash and cash equivalents		-1.7	0.3
Cash and cash equivalents at the end of period		11.2	27.6

The above consolidated statements of cash flow should be read in conjunction with the accompanying notes.

1

BASIS OF PREPARATION AND INFORMATION ON KAMUX

BASIS OF PREPARATION

SHORT PRESENTATION OF KAMUX

1.1 BASIS OF PREPARATION

GENERAL INFORMATION

These are the financial statements of Kamux Corporation (the “Company”) and its subsidiaries (together referred as “Kamux”, or “Group”). Kamux is a rapidly grown retail chain operating in Finland, Sweden and Germany specialising in used car sales.

The parent company’s company ID is 2442327-8, domicile is Hämeenlinna and the registered address of the head office is Parolantie 66 A, 13130 Hämeenlinna.

The Company’s Board of Directors has approved these financial statements at its meeting on February 25, 2021.

According to the Finnish Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, conforming to the IAS standards and IFRS standards as well as IFRIC interpretations applicable as of December 31, 2020. The notes to the financial statements also comply with Finnish accounting and corporate legislation complementing the IFRS standards.

Assets and liabilities are measured at cost, except for inventory that is measured at lower of cost and net realizable

value, lease agreements that are measured at the net present value of the future lease payments and derivative instruments that are measured at fair value through profit or loss. Financial statements are presented in millions of euros. The figures presented in the financial statements are rounded and therefore the sum of individual figures may differ from the presented sum figure.

The Company’s functional currency is euro, which is also the reporting currency for the Company and the Group. This means that financial statements are presented in euros.

In addition to primary statements the consolidated financial statements are divided into five sections: Basis of Preparation and Information on Kamux, Key Performance Metrics of Kamux Group, Net Working Capital, Capital Management and Net Debt and Other Notes. Each section includes related significant accounting policies.

ACCOUNTING ESTIMATES AND JUDGMENTS IN THE FINANCIAL STATEMENTS

Preparing the financial statements in accordance with IFRS requires management to make accounting estimates and judgments as well as assumptions that influence the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and judgments.

Estimates and judgments are regularly reviewed. Changes in estimates are reported in the period in which the change is made if the change affects only that period, or

in the period in which the change is made and in future periods if the change affects both the current and future periods.

Assumptions underlying management’s estimates can be found in the following notes to the financial statements:

Source of uncertainty and managerial judgments	Note
Repair liability costs	2.3 and 3.4
Valuation of used cars	3.1
Goodwill and lease agreements	5.2
Management holdings	5.3
Defferrex tax assets	5.5

1.2 SHORT PRESENTATION OF KAMUX

Kamux is a rapidly grown retail chain operating in Finland, Sweden and Germany and specialising in used car sales. The first Kamux car showroom began operations in Finland in 2003 and as of December 31, 2020, Kamux had an online store and total of 8 showrooms: 50 showrooms in Finland, 20 in Sweden and 8 in Germany. Since its incorporation, Kamux has sold more than 300,000 used cars.

Kamux's CEO Juha Kalliokoski founded Kamux in 2003 by opening its first car showroom in Hämeenlinna, where Kamux's head office is still located. Kamux opened its second car showroom in 2006 and by 2010 it had expanded its network to 14 car showrooms in Finland. In 2010 Kamux started to offer integrated services to its customers. In 2011 Finnish private equity investor Intera Partners acquired control of Kamux with the existing management staying as company shareholders. Intera's aim was to provide Kamux with additional resources and know-how for expanding operations in Finland and abroad. Kamux expanded into Sweden in late 2012 and into Germany in December 2015. At the end of year 2016 the company had a total of 47 showrooms in three countries. In 2017 Kamux was listed on the Nasdaq Helsinki resulting in over 1,200 new shareholders for the company. Intera Fund II Ky stayed as the largest shareholder of the company. During the same year, Kamux's number of showrooms expanded to 53 showrooms and Kamux opened its online store in Finland.

Late 2018 Kamux had 61 showrooms and late 2019 71 showrooms. In December 2019 Kamux agreed the acquisition of the business and assets of Autosilta from Jagro Oy. The acquisition was completed on January 9, 2020. In December 31, 2020 the company had a total of 13,930 shareholders of which the largest being Juha Kalliokoski,

including both Kalliokoski's direct holdings as well as shares owned by a holdings company under the control of related parties. In September 2020 Intera Fund II Ky sold the rest of its holdings of Kamux shares after having sold a part of its holdings twice in 2019 and 2020.

Kamux's business is based on a combination of car showrooms and online presence, professional procurement of used cars, low fixed costs, rapid inventory turnover and sales of integrated services. Kamux's business model makes it possible to offer affordable used cars, and Kamux's aim is to continuously develop its operations to better address customers' needs. Kamux offers its customers financing products from third party service providers at all of its car showrooms in Finland, Sweden and Germany. In addition, Kamux offers insurance products and a liability extension product for car repair costs, Kamux Plus, in Finland and Sweden. A key component of Kamux's customer service concept is the home delivery, under which the car is delivered to a location agreed with the customer and, if necessary, the possible trade-in car is simultaneously picked up. Digital channels have an integral role in the customers' purchase process, as the purchase path of a car typically begins online. Kamux serves its customers also in chat. Kamux's websites (kamux.fi/kamux.se/kamux.de) had over 900,000 monthly visitors in net during 2020.

Kamux acquires used cars from car auctions, leasing companies, other car dealers, financing companies, importers, private individuals, and other sources. The majority of the used cars sold by Kamux are acquired from its customers as part of trade-in car sales. All of Kamux's car sales personnel in Finland buy cars, and each of Kamux's car showrooms has set purchasing targets. In Sweden and Germany,

pricing of purchased cars is the responsibility of the sourcing teams in these countries operating under the purchasing director. In addition, Kamux has a separate sourcing organization, which is responsible for acquiring cars at car auctions, among others. Kamux aims to align its own and its employees' interests through its incentive scheme. The sales personnel's incentive scheme takes into account sales, car procurements, car trade-ins and the sales of integrated services when determining the amount of remuneration.

Kamux's entire car selection is available to all of its sales personnel at all Kamux's car showrooms in Finland as well as nationwide in Sweden and Germany. If needed, Kamux relocates a car from one car showroom or country to another once the sale is agreed upon. In 2020, 31 percent and in 2019, 29 percent of the cars sold by Kamux's were cross-sold through another Kamux car showroom. The size of the car selection at each of Kamux's car showrooms in Finland and Sweden varies between approximately 50 and 150 used cars available for sale, and at its car showrooms in Germany, Kamux's selection of used cars available for sale is under 100 to 300.

2

KEY PERFORMANCE METRICS OF KAMUX GROUP

RESULTS BY SEGMENT

REVENUE

REPAIR COSTS

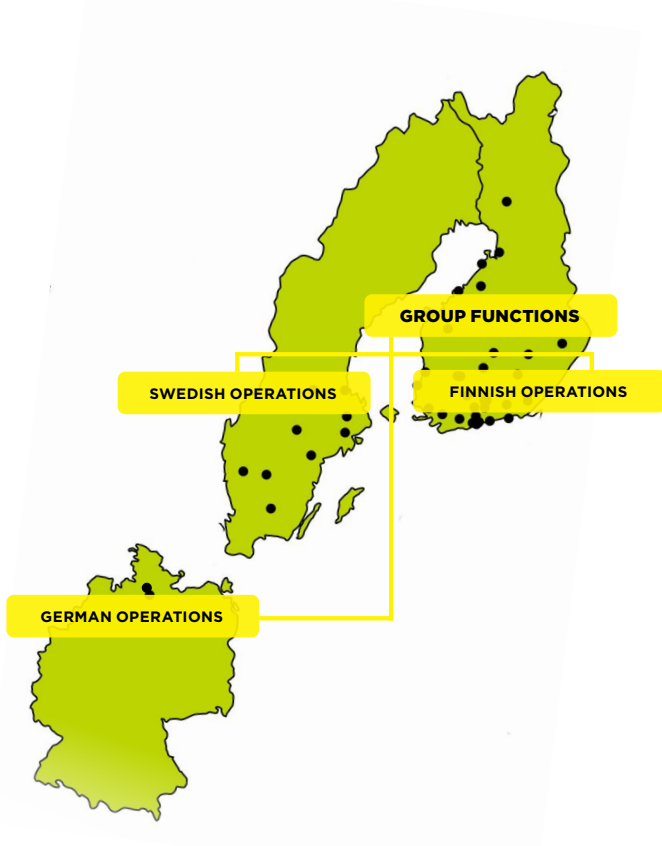
EXPENSES

INCOME TAXES

EARNINGS PER SHARE

2.1 RESULTS BY SEGMENT

Kamux is a rapidly grown car retail chain operating in Finland, Sweden and Germany and specialising in used car sales. Its operational structure is as follows:



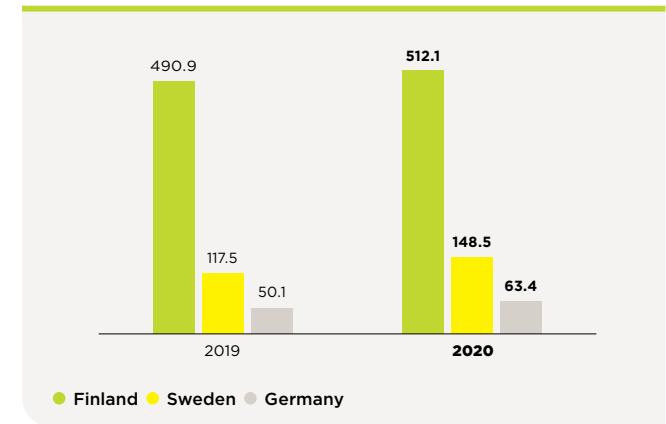
Management has defined the Group's reportable segments based on the reporting regularly presented to the CEO of the Group. This reporting forms the basis for the CEO's strategic and operative decisions to allocate resources and for assessing performance. The primary measure of performance is operating profit (EBIT). The CEO also receives information about segments' revenue, gross profit and operating profit on a monthly basis. Reportable segments comprise the following geographical areas: Finland, Sweden and Germany. Other activities consist of head office and Group functions, including centralized procurement, marketing, finance and Group management.

Kamux had 50 showrooms in Finland on December 31, 2020. Autosilta car retail business acquired in January 2020 from Jargro Oy are included in the segment Finland. Kamux opened a new showroom in January 2020 in former Autosilta premises in Espoo Niittykumpu.

In Sweden Kamux opened its first showroom in December 2012 and at the end of December 2020, it operated 20 showrooms. The showrooms are located in different areas and two of them are located in Stockholm area.

Kamux's growth strategy includes international expansion and, in accordance with the strategy, Kamux started its operations in Germany by opening its first showroom in Hamburg area in December 2015. At the end of 2020 Kamux operated 8 showrooms in Germany. The showrooms in Germany are located in Hamburg area and in Lübeck.

EXTERNAL REVENUE BY SEGMENT (EUR MILLION)



ACCOUNTING POLICY - SEGMENT REPORTING

Segment revenue and expenses are items directly attributable to the operating segment. Certain expenses such as centralized procurement are allocated to the segments on a reliable basis in the internal management reporting. Other activities comprise Group level operations that are not directly employed by the individual segment in its operating activities. Sales between segments are carried out on arm's length and eliminated on consolidation. Segment reporting is based on the Group's IFRS reporting.

DEFINITION OF KEY MEASURES

Gross profit	Revenue + Other operating income - Materials and services
EBITDA	Operating profit + depreciation and amortization
Operating profit (EBIT)	Profit for the period + income tax + net finance costs

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

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
2019							
Revenue	490.9	158.5	52.2	701.5		-43.0	658.5
internal	0.0	41.0	2.1	43.0		-43.0	-0.0
external	490.9	117.5	50.1	658.5			658.5
sales of used cars	462.5	114.7	48.4	625.6			625.6
integrated services	28.4	2.8	1.7	32.9			32.9
Gross profit	63.6	11.6	4.4	79.6			79.6
EBITDA	35.2	3.1	-0.4	37.9	-4.2		33.7
Depreciation and amortization	-5.8	-1.8	-0.7	-8.4	-0.0		-8.4
Operating profit	29.4	1.3	-1.0	29.6	-4.3		25.3
Finance income and costs							-1.0
Profit before income tax							24.4

Of the Group's non-current assets, except for deferred tax assets, EUR 40.7 million as of December 31, 2020 (EUR 38.9 million as of December 31, 2019) were located in Finland. The corresponding amounts for Sweden were EUR 15.3 million as of December 31, 2020 (EUR 14.5 million as of December 31, 2019) and for Germany EUR 12.6 million as of December 31, 2020 (EUR 11.1 million as of December 31, 2019).

2.2 REVENUE

Kamux's business consists of retail and wholesale sales of used cars in Finland, Sweden and Germany and of integrated services sold to consumer and corporate customers. These have been identified as separate performance obligations. Sales are based on the network of physical showrooms and efficient online showrooms in Kamux's websites in these countries. Kamux offers a home delivery service, in which Kamux delivers the car to the place agreed with the client. The car delivered to the customer's home has a 14-day right of return. Kamux also sells used cars in auctions.

Kamux offers its customers financing and insurance products provided by third parties in connection with the sale of the used car. The credit and insurance risks for these products are borne by finance and insurance companies. Kamux is entitled to financing fees and insurance commissions from its sales of these products. Parts of the fees are contingent on the continuation of the agreement between the finance company and the client.

In addition, Kamux offers its customers a Kamux Plus service, which extends the seller's statutory liability for defects. Kamux repairs predefined car defects that are detected within 12 months of the purchase of a car or until 25,000/15,000 driven kilometers, depending on which threshold is reached first. Kamux Plus is part of the car sales contract and it will therefore be taken into account when determining the sales price of a car.

>>Read more about the Kamux Plus -service in note 2.3.

Revenue from sales of used cars was EUR 687.0 million, or 95 percent of total revenue during the financial year 2020. In 2019 such revenue was EUR 625.6 million, or 95 percent of total revenue.

Financing fees and insurance commissions amounted to EUR 31.3 million during 2020, comprising 4 percent of total revenue. In 2019 fees and commissions were EUR 27.7 million or 4 percent of total revenue. Revenue from sales of the Kamux Plus service was EUR 5.8 million for the year ended December 31, 2020, and EUR 5.3 million in 2019.

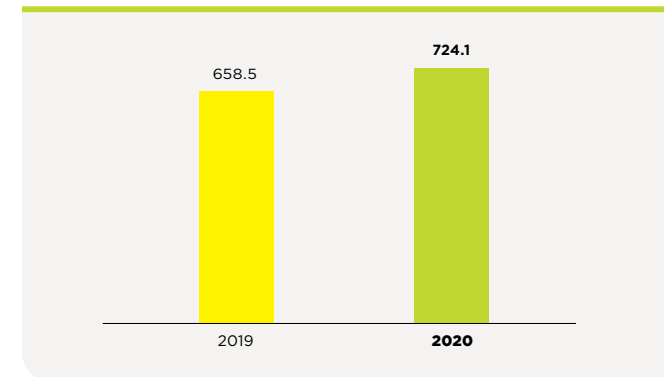
External revenue generated in Finland was EUR 512.1 million and represented 71 percent of total Group revenue during 2020. In 2019 corresponding revenue was EUR 490.9 million, or 75 percent of total Group revenue. In Sweden external revenue amounted to EUR 148.5 million during 2020, or 21 percent of total Group revenue. In 2019 corresponding revenue was EUR 117.5 million, or 18 percent of total Group revenue. In Germany external revenue amounted to EUR 63.4 million during 2020 and to EUR 50.1 million during 2019.

Other operating income in the Kamux Group amounted to EUR 1.3 million in 2020 and EUR 0.8 million in 2019, and comprised mainly from insurance compensations, rental income from premises and income from customer's responsibility of the Kamux Plus service.

>>Read more about segment revenue in note 2.1.

REVENUE EUR million	For the year ended December 31,	
	2020	2019
Sales of used cars	687.0	625.6
Financing fees and Insurance commissions	31.3	27.7
Sales of Kamux Plus	5.8	5.3
Total	724.1	658.5

REVENUE (EUR MILLION)



CONTRACT BASED BALANCE SHEET ITEMS ACCORDING TO IFRS 15

Contract based assets and liabilities according to IFRS 15 comprise of accrued insurance commissions and financing fees included in the prepaid expenses and accrued income, and advance payments received relating to Kamux Plus service included in accrued expenses and deferred income. In the following table is presented the contract based balance sheet items according to IFRS 15:

EUR million	At December 31,	
	2020	2019
Contract based assets included in prepaid expenses and accrued income	3.0	2.6
Contract based liabilities included in accrued expenses and deferred income	2.8	2.7

ACCOUNTING POLICY - REVENUE

IFRS 15 Revenue from Contracts with Customers - standard includes a five-step model by which sales revenue is recognized when control of a good or service transfers to a customer. Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

Kamux's business consists of retail and wholesale sales of used cars and of integrated services sold to consumer and corporate customers. These goods and services have been identified as separate performance obligations in accordance with IFRS 15.

IN THE SALES OF USED CARS the control of a good sold transfers to the customer at the time of delivery. The sales of used cars are recognized as revenue upon delivery of the car to the customer and upon transfer of the performance obligation to the customer. At the time of delivery, the customer pays the sales price by cash or the finance company provides Kamux an approved credit decision as a payment for the sales price. Home delivered cars have a 14-day right of return. Revenue on home delivered cars is recognized upon delivery to the extent Kamux estimates to be entitled to.

Revenue from sales is recognized according to the fair value of the sold car, net of discounts and value added taxes.

IN INTEGRATED SERVICES regarding the financial and insurance services provided by a third party, Kamux acts

as an agent towards the customer. Kamux presents the income derived from sales of financing and insurance services in its revenue as net amount after Kamux has fulfilled its performance obligation of sales of the services.

INSURANCE COMMISSIONS from insurance companies are recognized as revenue when the service is rendered, i.e. when the insurance contract is signed with the customer and Kamux is entitled to a commission fee in accordance with its agency contract.

FINANCING FEES FROM FINANCE companies comprise fixed withdrawal and invoicing fees, variable interest fees and annual bonus fees. Fees are recognized as revenue on an accrual basis when the contract is signed with the customer or during the term of the agreement when Kamux is entitled to a payment from the finance company. Annual bonus fees are determined on percentage basis of the actual sales during a calendar year and they are recognized when Kamux is entitled to receive the payment from the financing company.

THE KAMUX PLUS SERVICE is recognized as revenue on a straight-line basis over the 12 months warranty period. Kamux Plus service provides the customer with a customer liability extension in connection with a used car sale.

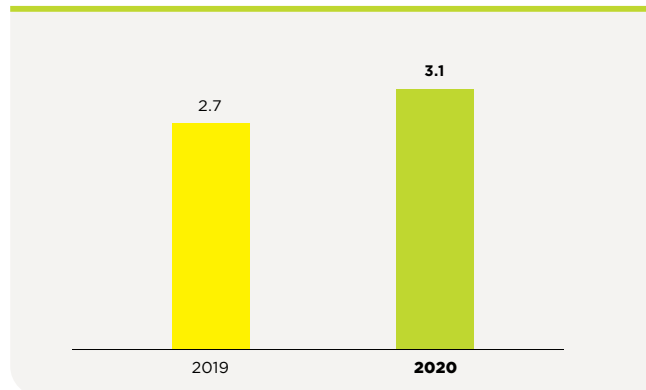
2.3 REPAIR COSTS

Kamux's customer service and customer satisfaction strategy are based on offering used cars that are high-quality and reconditioned. Any deficiencies in the cars are disclosed to the customer during the sale process.

Used cars include the seller's statutory repair liability. In Finland, Sweden and Germany a car dealer has a liability to repair undisclosed defects that become apparent within six months after the purchase of the car (unless Kamux can prove that the defects arose subsequent to the sale). After six months, the burden of proof is transferred from Kamux to the customer.

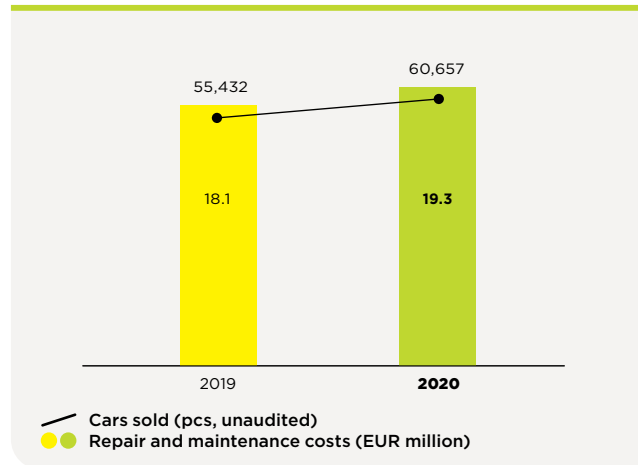
In addition to the statutory repair liability, Kamux offers its customers the Kamux Plus service, which extends the seller's liability for defects. Kamux repairs predefined defects that are detected within 12 months following the purchase of the car or within 25,000/15,500 driving kilometers, whichever comes first.

REPAIR LIABILITY PROVISION (EUR MILLION)



Repair liability provision amounted to EUR 3.1 million as at December 31, 2020 and EUR 2.7 million as at December 31, 2019. Repair- and maintenance costs have increased concurrently as the sales volumes have grown. Repair- and maintenance costs amounted to EUR 19.3 million during the financial year 2020, and to EUR 18.1 million during the financial year 2019. The repair liability provision is expected to be used in the following 12 months. Repair liability costs and other repair and maintenance costs are reported in "materials and services" in the consolidated statement of comprehensive income.

CARS SOLD & REPAIR AND MAINTENANCE COSTS



ACCOUNTING POLICY - REPAIR LIABILITY PROVISION

Estimated repair liability cost is recognized as repair liability provision when the car is sold. The amount of repair liability provision is based on historical statistics about realized repair liability costs and the estimated trend of repair liability costs.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS - REPAIR LIABILITY PROVISION

Repair liability provision is recognized based on the actual repair costs and the estimate on the development of repair liability costs. There is uncertainty between actual and estimated repair liability costs because repair liability costs may not necessarily be realized as predicted. Typically repair liability costs are realized frontloaded during the repair liability period. Estimates and assumptions are reviewed quarterly. Differences between actual and estimated repair liability costs may impact the provision amounts recognized in future periods.

>> Read more on repair liability provision in note 3.4.

2.4 EXPENSES

EUR million	For the year ended December 31,	
	2020	2019
Materials and services		
Purchases during the period	656.2	579.1
Change in inventories	-22.5	0.5
External services	0.1	0.1
Total	633.8	579.6
Personnel costs		
Wages and salaries	32.2	28.0
Pension costs	3.6	3.6
Share-based incentive scheme	0.2	0.3
Other employee benefit expenses	3.1	2.4
Total	39.0	34.3
Other operating expenses		
Premises costs	2.0	2.0
Marketing and advertising expenses	3.8	3.9
IT costs	1.7	1.7
Consulting	1.1	0.5
Voluntary personnel expenses	0.6	0.8
Rental costs of external personnel	0.5	-
Travel expenses	0.1	0.3
Other administrative expenses	1.9	2.5
Total	11.7	11.7

EUR million	For the year ended December 31,	
	2020	2019
Auditors' fees (included in line other administrative expenses in the table on left)		
Audit fees	0.2	0.2
Other audit related services	0.0	0.0
Total	0.2	0.3
Depreciation and amortization by class		
Intangible assets	0.4	0.6
Property, plant and equipment	9.2	7.8
Total	9.6	8.4

MATERIALS AND SERVICES

Kamux purchases most of its used cars as trade-in cars. Kamux also acquires cars from private individuals, car auctions, leasing companies, finance companies, other car dealers, importers and other sources. Materials and services include the cost to acquire used cars and the reconditioning and transportation costs associated with preparing cars for sale. It also includes repair costs associated with repair liability and change in inventories.

PERSONNEL COSTS

Kamux's average number of full-time equivalent employees was 713 during the financial period 2020 and 595 in 2019. Employee remuneration is based on fixed and variable salary. The proportionate share of the variable compensation is significant and is based on the achievement of individually determined sales targets. In addition, some employees have car allowance, telephone allowance and internet access at home.

Kamux's pension arrangements are classified as defined contribution plans. The Finnish statutory pension plan under TyEL is arranged through insurance companies and provides pension benefits based on the years of employment and earnings. The retirement age of the old-age pension under TyEL is 63–68 years. Employees in Sweden and Germany belong to defined contribution plans. In Sweden, retirement age is 61-67 years, and in Germany 65-67 years.

In defined contribution plans, insurance contributions are paid to insurance companies and recognized as an expense in the financial period the charge relates to. There are no other payment obligations in the defined contributions plans.

Employee benefit expenses in 2020 include EUR 0.2 million and in 2019 EUR 0.3 million costs accrual related to the share-based incentive scheme.

>> Read more about the management's wages and remuneration in note 5.3.

PREMISES COSTS

Premises costs consist of premises related costs such as heating, cleaning and electricity, as well as those rental payments for showrooms and office space that are not in the scope of IFRS 16.

>>Read more about leasing obligations in note 4.3.

>>Read more about lease agreements in note 5.2.

DEPRECIATION AND AMORTIZATION

Depreciation on property, plant and equipment include also depreciation on lease assets in accordance with IFRS 16.

2.5 INCOME TAXES

EUR million	For the year ended December 31,	
	2020	2019
Current tax	6.1	5.4
Tax on previous years	-0.0	-
Change in deferred tax assets and liabilities	-0.9	-0.0
Total	5.2	5.3
Reconciliation of income tax expense		
Profit before income tax expense	28.5	24.4
Tax calculated at the Finnish tax rate*	5.7	4.9
Non-deductible expenses	-0.1	0.1
Difference in foreign tax rates	-0.3	-0.3
Tax losses carried forward for which a deferred tax asset has not been recognized	0.7	0.8
Other temporary differences for which a deferred tax asset has not been recognized	0.1	-0.1
Utilization of previously unrecognized tax losses carried forward	-0.3	-
Deferred tax assets recognized for tax losses carried forward and temporary differences of previous years	-0.7	-
Tax on previous years	-0.0	-
Other items	-0.0	0.0
Income tax expense	5.2	5.3

* Tax rate 20% in 2020 and 2019.

>> Read more about deferred tax balances in note 5.5.

ACCOUNTING POLICY - INCOME TAXES

Income taxes for the financial year include current and deferred taxes. Current income tax is the tax to be paid or received with respects to the current financial year, with the application of tax rates that have been enacted or substantively enacted by the balance sheet date. Current income taxes are calculated on the basis of the tax regulations prevailing in the countries in which Kamux operates and generate taxable income. Current tax also includes adjustments for current income tax attributable to earlier periods.

Deferred taxes are recognized on temporary differences that arise between the taxable value and carrying value of assets and liabilities. Deferred tax assets are recognized to the extent that it is probable that they will be utilized against taxable income.

2.6 EARNINGS PER SHARE

	For the year ended December 31,	
	2020	2019
Profit for the period attributable to Owners of the Company (EUR million)	23.3	19.0
Impact of share-based compensation scheme on number of shares	-54	-7
Weighted average number of shares outstanding during the period, basic, in thousands of shares	39,931	40,004
Earnings per share, basic (EUR)	0.58	0.48
Impact of share-based compensation scheme on number of shares	-29	13
Weighted average number of shares outstanding during the period, fully diluted, in thousands of shares	39,955	40,017
Earnings per share, fully diluted (EUR)	0.58	0.48

ACCOUNTING POLICY - EARNINGS PER SHARE

Basic EPS is calculated by dividing the consolidated profit for the period attributable to the owners of the Company with the weighted average number of shares outstanding during the year excluding the treasury shares.

Diluted EPS is calculated on the same basis as Basic EPS except that it reflects the impact of any potential commitments the Group has to issue shares in the future.

3

NET WORKING CAPITAL

INVENTORY

TRADE AND OTHER RECEIVABLES

TRADE AND OTHER PAYABLES

PROVISIONS AND OTHER COMMITMENTS

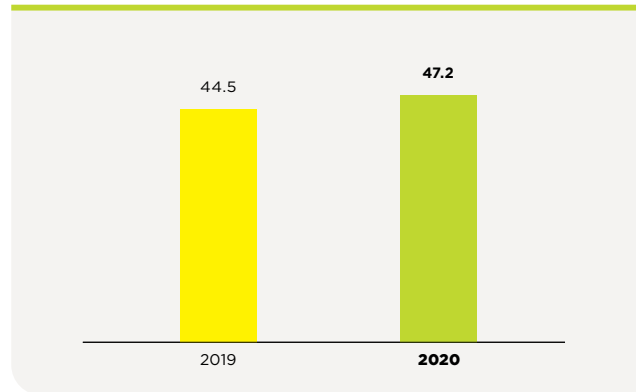
3.1 INVENTORY

Due to its effective process to acquire used cars, Kamux is able to offer a broad collection of different car brands at competitive prices. Kamux acquires cars from car auctions, leasing companies, other car dealers, finance companies, importers, private persons and other sources. Kamux purchases most of the used cars from customers as trade-in cars as part of the used car sale. Inventory is located in different showrooms. Every salesman is able to sell used cars from all Kamux's showrooms utilizing the Group-wide inventory information. Inventory management is well organized and advanced IT-systems are utilized to achieve an optimal balance between cars in inventory and quick inventory turnover.

Inventories amounted to EUR 93.6 million on December 31, 2020. On December 31, 2019 inventories amounted to EUR 70.2 million.

Write-downs of inventories to net realizable value amounted to EUR 0.2 million during 2020. In 2019 revaluations amounted to EUR -0.2 million. These revaluations were recognized through profit or loss during the financial years and were included in changes in inventory in line item "materials and services". In accordance with management's estimate, the market situation caused by the corona pandemic has not given a reason to recognize material exceptional inventory write-downs in the balance sheet as per December 31, 2020.

INVENTORY TURNOVER



Inventory turnover is calculated as follows:

$$\text{Inventory Turnover} = \frac{\text{Inventory on average during the period (average of the beginning and ending inventory of the year)}}{\text{"Materials and services" expense item during the reporting period, multiplied by 365}}$$

ACCOUNTING POLICY - INVENTORY

Inventory is measured at lower of cost and net realizable value. The cost of an individual car included in the inventory balance is determined using the purchase price for the car including directly attributable repair costs for reconditioning the car for selling purposes.

At each reporting date, a detailed review for net realizable value is executed for cars that have been in inventory for more than 90 days. Any adjustments to net realizable value are expensed through profit or loss.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS - INVENTORY

The estimated selling price of the car (net realizable value) at the reporting date is determined based on the managerial judgment, market information and historical data. If the estimated selling price of the car is lower than the cost, the inventory value for the car will be written down.

3.2 TRADE AND OTHER RECEIVABLES

EUR million	At December 31,	
	2020	2019
Trade receivables	10.4	13.8
Prepaid expenses and accrued income	3.7	3.2
Other receivables	2.5	1.4
Total	16.6	18.4
Material items included in prepaid expenses and accrued income		
Insurance and finance commission fees	3.0	2.6
Other	0.7	0.5
Total	3.7	3.2

TRADE RECEIVABLES AND CREDIT RISK

Trade receivables consist mainly of receivables from finance companies, with the exception of insignificant amounts of receivables from individual customers to whom Kamux has sold a car with a short-term payment period. Generally, receivables originate when there is a temporary time lag between the approved credit decision (i.e. when revenue is recognized) and a payment is made by the finance company. However, once the finance company has approved the credit application of Kamux's customer, the credit risk of the car sale is borne by the finance company.

Kamux has a temporary credit risk from finance companies between the approved credit decision

and payment. The Company mitigates the credit risk by dealing with highly rated finance company counterparties.

At the end of the financial year there was no need for an impairment based on the provision matrix due to non-existence of material past due trade receivables as of December 31, 2020. The coronavirus pandemic during the year 2020 did not cause need to recognize any material credit losses on trade receivables in the Kamux Group. Impairment losses of trade receivables recognized in profit or loss amounted to EUR -0.1 million during the year 2020. In 2019 impairment losses of trade receivables were EUR 0.1 million.

ACCOUNTING POLICY - IMPAIRMENT OF FINANCIAL ASSET

In accordance with IFRS 9 Financial Instruments - standard the impairment of financial asset is based on the expected credit loss method. The significant financial assets of Kamux are trade receivables arising from normal business operations. For these trade receivables the group applies a simplified provision matrix approach. According to this approach, a loss is recognized by using the provision matrix, except for situations where financial assets are assessed to be impaired due to credit risk. In Kamux the amount of impairment losses from trade receivables has been historically low.

3.3 TRADE AND OTHER PAYABLES

EUR million	At December 31,	
	2020	2019
Trade payables*	10.2	9.7
Accrued expenses and deferred income	9.2	8.5
Other	8.0	11.5
Total	27.3	29.7
Material items included in accrued expenses and deferred income		
Accrued salaries	5.6	5.1
Accrued interests	0.0	0.0
Other accrued expenses**	3.5	3.4
Total	9.2	8.5

* Trade payables also include short term car financing-related loans transferred to Kamux in connection with the purchases of the trade-in cars of EUR 0.6 million as of December 31, 2020 and EUR 1.3 million as of December 31, 2019. Loans to the finance companies are paid within a short period after the purchase of the car.

** Other accrued expenses relate to deferred revenue from sales of Kamux Plus as of December 31, 2020 and 2019.

Carrying values of trade and other payables correspond to their fair values due to the short-term nature of these payables.

3.4 PROVISIONS AND OTHER COMMITMENTS

DECOMMISSIONING OBLIGATION

Kamux owns a car showroom building in Nedderfeld, Germany, which is located on the land area Kamux is renting. Kamux has leased the land area for five years, and the lease may be extended. Kamux has an obligation to demolish the building at Kamux's own expense at the end of the lease. This obligation is recognized in the balance sheet on December 31, 2020 as a non-current provision of EUR 0.4 million.

REPAIR LIABILITY PROVISION

Kamux's current provisions comprise of repair liability provision.

>> Read more on repair liability provision in note 2.3.

CHANGES IN PROVISIONS IN THE FINANCIAL YEAR

EUR million	Repair liability provision	Decommissioning obligation	Total
Jan 1, 2020	2.7	0.4	3.1
Increases in provisions	0.4	-	0.4
Dec 31, 2020	3.1	0.4	3.4
Current provisions at Dec 31, 2020	3.1	-	3.1
Non-current provisions at Dec 31, 2020	-	0.4	0.4

EUR million	Repair liability provision	Decommissioning obligation	Total
Jan 1, 2019	2.2	0.4	2.5
Increases in provisions	0.5	-	0.5
Dec 31, 2019	2.7	0.4	3.1
Current provisions at Dec 31, 2019	2.7	-	2.7
Non-current provisions at Dec 31, 2019	-	0.4	0.4

LOANS AGAINST WHICH GUARANTEES AND MORTGAGES HAVE BEEN GIVEN

EUR million	At December 31,	
	2020	2019
Loans	16.9	19.5
guarantees given against loans	104.0	104.0

OTHER COMMITMENTS

EUR million	At December 31,	
	2020	2019
Rent and other payment guarantees	0.5	0.5

Kamux has given business mortgages amounting to EUR 104.0 million at 31 December 2020 and EUR 104.0 million as of December 31, 2019 as a security for its loans from financial institutions. In addition, the Company has given an unlimited general guarantee on the behalf of the subsidiaries of Finland, Sweden and Germany and pledged their shares.

4

CAPITAL MANAGEMENT AND NET DEBT

CAPITAL MANAGEMENT AND NET DEBT

FINANCE EXPENSES

4.1 CAPITAL MANAGEMENT AND NET DEBT

CAPITAL MANAGEMENT

The Group's objective when managing capital (net debt and total equity) is to ensure the continuity of its operations and maintain optimal returns to shareholders. Management aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the Group.

In order to maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group monitors capital on the basis of net debt and equity. Net debt is calculated as financial liabilities ("current and non-current borrowings and lease liabilities" in the consolidated balance sheet) less cash and cash equivalents.

>> Read more about equity in note 5.4.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist mainly of cash, demand deposits and other short-term highly liquid investments.

EUR million	At December 31,	
	2020	2019
Cash and bank accounts	7.2	27.6
Commercial papers (1-3 months)	4.0	-
Total cash and cash equivalents	11.2	27.6

NET DEBT

The Group borrows money from financial institutions in the form of bank loans and bank overdrafts. The Group's loans have floating interest rates and the Group may use interest rate swaps to limit the

interest rate risk related to floating interest rates of the loans. Lease liabilities comprise of future rental payments of showrooms and office premises that have been discounted to present value.

INTEREST BEARING LIABILITIES AND NET DEBT

EUR million	At December 31,	
	2020	2019
Non-current interest-bearing liabilities		
Bank loans	14.9	16.5
Lease liabilities	39.1	38.8
Total non-current interest-bearing liabilities	54.0	55.2
Current interest-bearing liabilities		
Bank loans	2.0	3.0
Bank overdrafts	-	-
Lease liabilities	8.6	7.9
Total current interest-bearing liabilities	10.6	10.9
Total interest-bearing liabilities	64.7	66.1
Less cash and cash equivalents	-11.2	-27.6
Net debt	53.5	38.5

BORROWINGS AND DERIVATIVES

In March 2020 Kamux renewed the five-year credit facility agreement of EUR 40 million with Nordea Bank Corporation. The renewed credit facility agreement includes a five-year term-loan of EUR 18 million and a revolving credit facility of EUR 22 million. In March 2020 EUR 10.0 million of the revolving credit facility was taken into use as a precautionary measure related to the corona pandemic and it was paid back fully in December. In December 31, 2020, EUR 16.9 million of the term-loan was in use. The term loan is currently repaid in bi-annual installments of EUR 1.0 million. The loans mature on March 31, 2025.

Fair values for Kamux’s borrowings are determined by discounting the estimated cash flows to be paid at the market rate of the reporting date, considering the risk premium. Different terms and conditions of the loans (maturity, subordination, collateral) are taken into account in the measurement. Bank loans are classified as Level 2 in the fair value hierarchy due to the use of unobservable inputs, including Kamux’s own estimates for risk premium.

ACCOUNTING POLICY - BORROWINGS

Bank loans are measured initially at fair value, net of transaction costs. Bank loans are subsequently carried at amortized cost. Interest expenses and transaction costs are amortized over the term of the loan and recognized as finance cost using an effective interest rate method. Borrowings are derecognized when the loan has been repaid or liability has been extinguished for example in connection with refinancing.

FAIR VALUES AND NOMINAL VALUES OF THE DERIVATIVES

EUR million	At December 31,	
	2020	2019
Foreign currency derivatives		
Fair value	-0.0	0.2
Value of underlying instrument	5.5	18.9

ACCOUNTING POLICY - DERIVATIVES

Financial assets and liabilities recorded at fair value through profit and loss consist of derivatives. Derivatives are measured and recognized in the balance sheet according to their fair value at the trade date. Subsequent fair value changes of open derivatives are recognized directly in the finance income and finance costs in the statement of comprehensive income. The Group’s derivatives consist of foreign exchange derivatives to hedge foreign exchange rate risk. These derivatives are not subject to hedge accounting.

Derivatives consist of foreign exchange forwards. These derivatives are included in Level 2 and their fair value is calculated as the present value of the estimated future cash flows based on observable foreign exchange rates. The nominal value of open foreign exchange forwards was EUR 5.5 million on December 31, 2020 and EUR 18.9 million on December 31, 2019.

RISKS ASSOCIATED WITH NET DEBT

Liquidity risk

Management of liquidity risk aims to ensure that Kamux is able to meet its finance obligations. Kamux’s financing requirement is covered by both optimizing of operating activities and external financing in order to ensure that Kamux has continually sufficient liquidity or has access to

an adequate amount of committed credit facilities. Liquidity risks are monitored and managed centrally in the Group’s finance department where the availability of financing is managed daily based on rolling forecasts.

The maturity of financial liabilities is monitored regularly. As of December 31, 2020, Kamux had cash and cash equivalents of EUR 11.2 million and as of December 31, 2019, EUR 27.6 million. In addition, Kamux had access to unused credit facilities and bank overdrafts of EUR 22.0 million as of December 31, 2020 and EUR 20.0 million as of December 31, 2019.

Kamux has entered into a five-year credit facility agreement of EUR 40 million with Nordea Bank Corporation. The credit facility agreement includes a five-year term loan of EUR 18 million and a revolving credit facility of EUR 22 million. In March 2020 EUR 10.0 million of the revolving credit facility was taken into use as a precautionary measure related to the corona pandemic and it was paid back fully in December. In addition to the revolving credit facility, Kamux has a lease guarantee facility of EUR 0.4 million. At the end of the reporting period, EUR 16.9 million of the term-loan was in use. The term loan is currently repaid in bi-annual installments of EUR 1.0 million.

Loans from the financial institutions include the following covenants: net debt in proportion to adjusted EBITDA, equity as a portion of the balance sheet total and inventory turnover. The interest margin is variable and depends on the ratio of net debt and adjusted EBITDA. Kamux has given business mortgages amounting to EUR 104.0 million as of December 31, 2020 as a security for the loans from financial institutions. In addition, the Company has given an unlimited general guarantee on behalf of the subsidiaries in Finland, Sweden and Germany and pledged the shares of the Finnish, Swedish and German subsidiaries.

According to specific terms and conditions of the bank loan agreements, the most significant transactions require a prior written approval by the financial institution, including ordinary terms and conditions protecting the creditor.

MATURITY TABLE FOR FINANCIAL LIABILITIES

EUR million	Less than 3 months	3 months - 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Dec 31, 2020							
Lease liabilities	2.3	6.8	8.4	7.7	5.0	4.0	15.0
Loans	1.1	1.2	2.2	2.2	2.2	9.1	-
Accounts payables	10.2	-	-	-	-	-	-
Derivatives	-	0.0	-	-	-	-	-
Dec 31, 2019							
Lease liabilities	2.1	6.2	7.9	7.3	5.0	4.3	15.4
Loans	1.6	1.7	16.6	-	-	-	-
Accounts payables	9.7	-	-	-	-	-	-
Derivatives	0.0	-0.2	-	-	-	-	-

Interest rate risk

The Group's bank loans comprise of long-term floating rate loans and interest-bearing credit limit facilities. Due to the Euribor-tied loans, Kamux is subject to the cash flow risk arising from floating rate loans.

To manage the interest rate risk, Kamux may use interest rate swaps, as needed, in order to reduce the cash flow risk arising from floating rate loans. With this course of action, Kamux aims to limit the impact of interest rate volatility in the Group's finance costs to acceptable levels.

Effective interest rates of bank loans were 1.12% at the end of 2020 and 1.4%–1.5% at the end of 2019.

Based on the sensitivity analysis, if interest rates had been 1.0 percentage points higher with all other variables held constant, the recalculated post-tax profit for the period and equity would have been EUR 0.2 million smaller in

2020 and EUR 0.1 million smaller in 2019. Interest rate sensitivity has been calculated by shifting the interest curve by 1.0 percentage points (due to low market interest environment the lower scenario has not been presented). The interest position includes all external variable rate loans.

Foreign exchange risk

Kamux is mainly exposed to transaction risk related to the Swedish krona and the risk that arises when the parent company's investments in the Swedish subsidiaries are translated into euros.

Foreign exchange risk relating to Swedish operations arises basically from intra-Group finance transactions and trade payables from Swedish vendors and subsidiaries incurred in operating activities between the Group companies. Foreign exchange risk is not significant for the Group

and these items are hedged as needed by using foreign exchange derivatives and/or holding cash nominated in Swedish krona in Group's bank accounts. In December 31, 2020 the Group had foreign exchange derivatives with mature under 12 months to hedge against the foreign exchange risk arising from above mentioned transactions.

The remainder of the Group's income and expenses are generated almost exclusively in euros. According to the Company's treasury policy, all intercompany financing is issued in the subsidiary's functional currency.

The Group's net investment in companies outside the Eurozone consists of subsidiary investments in Sweden. Foreign exchange risk associated with the net investment is not hedged.

Foreign exchange risk position includes debts denominated in Swedish krona of Group companies and loan receivables from Swedish subsidiaries. Krona denominated intra-group items, which are exposed to foreign exchange risk, translated at the rate of the balance sheet date were EUR 35.5 million as of December 31, 2020 and EUR 12.8 million as of December 31, 2019. In December 31, 2020 these balances were only partly hedged. If the foreign exchange risk would not have been hedged and if the weakening or strengthening of the Swedish krona against euro had been 10 percent, the recalculated post-tax profit for the period had been EUR 2.8 million in 2020 and EUR 0.9 million in 2019 higher or lower based on the sensitivity analysis.

Credit and counterparty risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. Kamux considers all of its material counterparties to be creditworthy as they represent large and

well-established financial institutions. Kamux's exposure to credit risk is continuously monitored, in particular, if agreed payments are delayed.

>> Read more about credit risk related to trade and other receivables in note 3.2.

The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. To spread the credit risk, Kamux deposits its cash reserves with different banks.

4.2 FINANCE EXPENSES

EUR million	For the year ended December 31,	
	2020	2019
Interest expenses	0.5	0.4
Interest expenses on lease liabilities	0.5	0.4
Fair value changes for derivatives	0.2	0.4
Foreign exchange gains and losses, net	1.4	-0.2
Other finance income and costs	0.1	0.1
Total	2.7	1.0

ACCOUNTING POLICY – FINANCE EXPENSES

Finance expenses consist of interest expenses on bank loans and credit limits and realized and unrealized changes on foreign exchange derivatives, exchange rate differences as well as interest expenses on lease liabilities. Transaction costs related to loans are expensed in profit or loss using effective interest rate method.

The effective interest rate is the rate that discounts the estimated future payments through the expected life of a loan to the net carrying amount of the financial liability. The calculation includes all fees paid by the contracting parties and transaction costs.

5

OTHER NOTES

GROUP STRUCTURE AND CONSOLIDATION

**INTANGIBLE ASSETS AND PROPERTY, PLANT AND
EQUIPMENT AND LEASE AGREEMENTS**

RELATED PARTY TRANSACTIONS

SHARE CAPITAL AND RESERVES

DEFERRED TAXES

EVENTS AFTER THE REPORTING DATE

NEW AND FORTHCOMING IFRS STANDARDS

5.1 GROUP STRUCTURE AND CONSOLIDATION

SUBSIDIARIES

The consolidated financial statements include parent company and its subsidiaries. Subsidiaries refers to entities of which Kamux Group has control. Control exists, when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date of acquisition,

being the date on which the Group obtains control or if the subsidiaries have been founded by the Company, from the date of the inception of the subsidiary. Subsidiaries are consolidated until the date that control ceases.

Group's subsidiaries as of December 31, 2020 and December 31, 2019 were as follows:

Parent company	Country of incorporation	Parent and Group ownership (%)	Principal activities
Kamux Corporation	Finland		Holding company
Subsidiaries			
Kamux Suomi Oy	Finland	100	Sales of used cars
Suomen Autorahaksi Oy	Finland	100	Dormant company
KMX Holding AB	Sweden	100	Holding company
Kamux AB	Sweden	100	Sales of used cars
Kamux Auto GmbH	Germany	100	Sales of used cars

Subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests equals the voting rights held by the Group. The country of incorporation of registration is also their principal place of business.

Intra-Group receivables and liabilities, income or expenses and unrealized profits or losses arising from Intra-Group transactions between the Group companies and intra-Group profit sharing are eliminated in their entirety when preparing the consolidated accounts.

Assets and liabilities in Swedish subsidiaries are translated into euro at the rate prevailing on the balance sheet date. Income and expenses in Swedish subsidiaries are translated into euro using an average rate. Translation differences that arise when translating the financial statements of subsidiaries are recognized in other comprehensive income and accumulated in a separate component of equity, called translation differences.

Foreign currency denominated transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or if items have been revalued, at the measurement dates exchange rates. Foreign exchange gains and losses arising in respect of business operations, such as sales and purchases, are recognized in EBIT. Foreign exchange differences arising from financing transactions are recognized in finance costs.

ACQUIRED BUSINESSES IN 2020

On January 9, 2020 Kamux Suomi Oy, a subsidiary of Kamux Corporation, acquired the Autosilta business from Jagro Oy. On January 10, 2020 Kamux opened a showroom in Espoo Niittykumpu in the former premises of Autosilta. The acquisition cost was paid in cash at the acquisition date. Five employees were transferred into Kamux in the business acquisition.

The fair value recognized in the business acquisition into property, plant and equipment relates to fixed assets and lease agreement. Goodwill arising from the acquisition is presented as a EUR 0.4 million item in the balance sheet at the reporting date. The fair value of the acquired net assets is final. The goodwill is regarded as arising mainly from strengthening of the market position and business location.

The consolidated financial statements 2020 and segment Finland figures include the acquired business' net sales and income after the acquisition. The effect of the transaction on consolidated cash flow is equivalent to the acquisition cost.

The final assets and liabilities recognized in business acquisition from Jagro Oy were as follows:

EUR million	Fair values recognized in business combination
Assets and liabilities of the business acquired	
Inventory	3.3
Trade receivables and other receivables	0.7
Property, plant and equipment	0.1
Total assets	4.1
Trade payables and other payables	0.0
Total liabilities	0.0
Net assets	4.1
Acquisition cost	4.5
Goodwil	0.4
Effect on the consolidated cash flow	-4.5

As a consequence of the business acquisition the goodwill recognized into the consolidated balance sheet increased as follows:

EUR million	
Reconciliation of goodwill	
Book value Jan 1, 2020	13.6
Purchase price allocation	0.4
Book value on December 31, 2020	14.0

5.2 INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT AND LEASE AGREEMENTS

GOODWILL

Goodwill in the balance sheet mainly formed when the parent company, a company established by Intera Fund II Ky, acquired Kamux Oy and its subsidiaries on December 7, 2011. In 2020 the amount of goodwill recognized into the balance sheet increased due to the acquisition of Autosilta business from Jagro Oy. The amount of goodwill arisen from the acquisition amounted to EUR 0.4 million and it is regarded as arising mainly from strengthening of the market position and business location. The amount of goodwill was EUR 14.0 million as of December 31, 2020 and EUR 13.6 million as of December 31, 2019. Goodwill is entirely allocated to the operating segment of Finland which is profitable. In accordance with management's estimate, the corona pandemic did not caused any indication of impairment of goodwill.

The Group performs impairment tests annually. The recoverable amount of goodwill related to Finland is based on fair value less costs of disposal (FVLCD), which is determined using a discounted cash flow model. Key estimates used to determine the recoverable amount include sales growth rate, cost development and the post-tax discount rate. Inputs used in the discounted cash flow model are inputs that are not based on observable market data (Level 3 inputs). Calculations are based on 5 years' cash flow projections approved by the management. Long-term growth rate was estimated to be 1% and post-tax discount rate was defined at 7.1% (2019 6.8%). In addition, management reviews observable market data of comparable entities, for example, EBITDA multiples to assess whether there is a significant difference between FVLCD of the group of CGUs tested and comparable entities market data, which would require Kamux to make changes to the assumptions used in goodwill impairment testing.

As part of the performance review, management has performed sensitivity analyses around the key parameters and the result suggests that a situation in which the carrying value of goodwill and other assets under impairment testing would exceed the recoverable amount is unlikely. Changed parameters used in the sensitivity analyses for 2020 and 2019 impairment testing were:

- 20% decrease in the annual sales growth rate
- 20% decrease in EBIT margin of the financial year
- Long term growth rate of 0%
- Post-tax discount rate of 15%

The sensitivity analyses did not indicate impairment when the parameters above were changed one at a time or all at the same time.

>> Read more about the acquired businesses and changes in goodwill in note 5.1.

OTHER INTANGIBLE ASSETS

Kamux has capitalized development costs and intangible rights related to different IT systems as other intangible assets. Kamux has invested in a tailor-made sales management system which is one of the key enablers of Kamux's effective selling process and cost-efficient inventory management. Microsoft Ax is a system for enterprise resource planning (ERP) and accounting, and it connects Kamux's inventory management and accounting. In 2020, Kamux invested mainly in new sales management system which has been partly implemented during 2020. The capitalized costs consist of external service provider invoices and license fees.

ACCOUNTING POLICY - GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill is an intangible asset with indefinite useful life. Goodwill is not amortized but tested for impairment at least annually, or whenever there is an indication that its carrying value would not be recoverable.

Management has determined that each showroom represents a separate cash generating unit (CGU). The impairment review is carried out for the group of cash generating units representing the geographical area of Finland which is the level at which goodwill is monitored by management (read more in Sources of uncertainty and managerial judgements - Goodwill).

Other intangible assets, which are separately identifiable and can be sold separately comprise development costs of IT software and intangible rights. Other intangible assets are amortized on a straight-line basis over the estimated useful life of 3-5 years.

**RECONCILIATION OF THE BOOK VALUES OF THE INTANGIBLE ASSETS BETWEEN THE BEGINNING AND THE END OF THE PERIOD
2020**

EUR million	Other intangible assets	Advance payments and intangibles in progress	Goodwill	Total
Acquisition cost at Jan 1, 2020	3.3	1.4	15.1	19.7
Translation differences	0.0	-	-	0.0
Business acquisition	-	-	0.4	0.4
Increases	0.2	3.3	-	3.4
Transfers between items	0.1	-0.1	-	-
Acquisition cost at Dec 31, 2020	3.5	4.5	15.5	23.5
Accumulated amortization and impairments at Jan 1, 2020	-2.5	-	-1.5	-4.0
Translation differences	-0.0	-	-	-0.0
Amortization	-0.4	-	-	-0.4
Accumulated amortization and impairments at Dec 31, 2020	-3.0	-	-1.5	-4.5
Book value at Jan 1, 2020	0.7	1.4	13.6	15.7
Book value at Dec 31, 2020	0.6	4.5	14.0	19.0

2019 EUR MILLION	Other intangible assets	Advance payments and intangibles in progress	Goodwill	Total
Acquisition cost at Jan 1, 2019	2.9	0.2	15.1	18.1
Translation differences	-0.0	-	-	-0.0
Increases	0.3	1.3	-	1.7
Transfers between items	0.1	-0.1	-	-
Acquisition cost at Dec 31, 2019	3.3	1.4	15.1	19.7
Accumulated amortization and impairments at Jan 1, 2019	-2.0	-	-1.5	-3.5
Translation differences	0.0	-	-	0.0
Amortization	-0.6	-	-	-0.6
Accumulated amortization and impairments at Dec 31, 2019	-2.5	-	-1.5	-4.0
Book value at Jan 1, 2019	0.9	0.2	13.6	14.6
Book value at Dec 31, 2019	0.7	1.4	13.6	15.7

**SOURCES OF UNCERTAINTY AND
MANAGERIAL JUDGMENTS – GOODWILL**

Management makes significant estimates and judgments in determining the level at which the goodwill is tested and whether there are any indications of impairment.

The goodwill in the Kamux's balance sheet arose mainly in December 2011 when the parent company, a company established by Intera Fund II Ky, acquired Kamux Oy and its subsidiaries. At the time of the acquisition, Kamux operated in Finland through five subsidiaries, including 16 showrooms. The Management views that the excess of the purchase price over the acquired net assets was paid for the business and business concept as a whole and therefore considers that goodwill should be tested at the level of group of CGU's which is Finland.

The forecasted cash flows are based on the Group's past performance and management's best estimate of future sales, cost development, general market conditions and applicable income tax rates.

Management tests the effects of changes to significant estimates used in forecasts by sensitivity analyses in a way described in the section "Goodwill".

**RECONCILIATION OF THE BOOK VALUES OF THE PROPERETY, PLANT AND EQUIPMENT BETWEEN THE BEGINNING AND THE END OF THE PERIOD
2020**

EUR million	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and tangibles in progress	Total
Acquisition cost at Jan 1, 2020	54.0	1.7	3.0	-	58.7
Translation differences	0.7	0.0	0.1	-	0.8
Business acquisitions	0.0	0.0	0.0	-	0.1
Increases	8.4	0.2	0.5	0.3	9.3
Decreases	-0.1	-	-	-	-0.1
Transfers between items	-	0.1	0.1	-0.3	-
Acquisition cost at Dec 31, 2020	63.0	2.0	3.7	-	68.8
Accumulated depreciation and impairments at Jan 1, 2020	-7.2	-0.9	-1.9	-	-10.0
Translation differences	-0.2	-0,0	-0,0	-	-0.2
Depreciation	-8.4	-0.2	-0.5	-	-9.2
Accumulated depreciation and impairments at Dec 31, 2020	-15.8	-1.0	-2.5	-	-19.4
Book value at Jan 1, 2020	46.7	0.8	1.1	-	48.6
Book value at Dec 31, 2020	47.1	1.0	1.2	-	49.4

2019

EUR million	Buildings and structures	Machinery and equipment	Other tangible assets	Total
Acquisition cost at Jan 1, 2019	38.7	1.3	2.4	42.4
Translation differences	-0.2	-0.0	-0.0	-0.2
Increases	17.9	0.2	0.9	18.9
Decreases	-2.5	-	-	-2.5
Transfers between items	-	0.2	-0.2	-
Acquisition cost at Dec 31, 2019	54.0	1.7	3.0	58.7
Accumulated depreciation and impairments at Jan 1, 2019	-0.1	-0.7	-1.4	-2.2
Translation differences	-0.0	0.0	0.0	-0.0
Depreciation	-7.1	-0.1	-0.5	-7.8
Accumulated depreciation and impairments at Dec 31, 2019	-7.2	-0.9	-1.9	-10.0
Book value at Jan 1, 2019	38.7	0.5	0.9	40.1
Book value at Dec 31, 2019	46.7	0.8	1.1	48.6

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprise of capitalized renovation as well as modernization expenses, office furniture, machinery and equipment and car showroom building in Nedderfeld, Germany, which was acquired in 2016. Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of 15 years for the building and 3-5 years for the other tangible assets.

LEASE AGREEMENTS

Kamux applies IFRS 16 in recognition of lease agreements. In accordance with IFRS 16 Kamux recognizes almost all leases on the balance sheet. The standard requires recognition of an asset i.a. the right to use the leased item and a financial liability to pay rentals for virtually all lease contracts.

Lease agreements recognized into Kamux's balance sheet comprise mainly of rental agreements of showrooms and office premises. Kamux inventory is located in the showrooms and the sales of cars takes place mainly in the showrooms. The right-of-use asset and the non-current and current lease liabilities arising from the lease agreements are presented in the balance sheet as row items "Lease assets" and "Lease liabilities".

ACCOUNTING POLICY - LEASE AGREEMENTS

Lease agreements may contain both lease and non-lease components. Kamux applies the treatment in accordance with IFRS 16 only to lease components and recognizes the expenses arising from non-lease components into profit or loss as other operating expenses.

Lease agreements of the showrooms or office premises are negotiated on an individual basis resulting in agreements with different terms and conditions. Lease agreements are typically either cancellable or 1- to 10-year fixed term contracts. Agreements usually include the option of extending the lease after the original date of termination.

Assets and liabilities arising from a lease are initially measured on a present value basis. The present value of a lease liability is determined by discounting the estimated future lease payments during the lease period. The right-of-use asset is initially measured at cost corresponding with the amount of the lease liability and it can be adjusted by the direct costs or incentives obtained relating to the lease agreement.

The right-of-use asset is depreciated over the asset's useful life which in Kamux usually corresponds with the lease term.

The lease assets are derecognized against the lease payments and as finance expenses. The finance expense recognized into profit or loss reflects the amount of interest for certain period arising from the lease liability.

Kamux applies the optional exemption that exists for short-term and low-value leases. Short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss as other operating expenses. Short-term leases are leases with a lease term of 12 months or less and low-value assets are leases with total value EUR 5,000 or less. Short-term and low-value leases in Kamux Group are for example leases of parking areas nearby the showrooms or job-related housing of the personnel.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS - LEASE AGREEMENTS

Management makes critical judgments and assessments in determination of the lease terms of the lease agreements. Also determination of the discount rates for the lease liabilities requires management judgment.

Lease term

The lease agreements of the Group's showrooms and office premises can be divided into following groups regarding to lease terms: agreements made for the time being and fixed-term agreements. Fixed-term agreements can include an option for an extension period following the fixed-term or they can continue as agreements for time being after the fixed-term. Kamux has entered also in fixed-term agreements which can not be extended according to the initial agreement.

The management assesses a lease term of each lease agreement on an individual basis. In determining the lease term for each lease agreement the management considers the following factors, among others: Has Kamux or the lessor an unilateral right to serve notice of

termination on the agreement or to decide about the extension period or is the decision made by both lessee and lessor together? Is it probable that the extension period will be exercised? What is the historical data about about lease terms of lease agreements in Kamux?

The lease term is initially assessed at the date an agreement is signed and the term is reassessed at least annually and every time when the agreement is changed with an effect on the lease term.

Discount rate

The future lease payments are discounted by using a discount rate prevailing at the date of signing a lease agreement. When the interest rate implicit in the lease cannot be determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset similar value to the right-of-use asset in a similar economic environment with similar terms and conditions of agreement.

CHANGES OF LEASE AGREEMENTS IN THE BALANCE SHEET

EUR million	Lease assets	Lease liabilities
Jan 1, 2020	46.4	46.6
Increases	10.0	8.8
Decreases	-1.6	-0.4
Depreciation	-8.4	-
Exchange rate differences and other changes	0.6	0.6
Interest expenses	-	-0.5
Repayments of lease liability	-	-7.5
Dec 31, 2020	46.9	47.7

EUR million	Lease assets	Lease liabilities
Jan 1, 2019	38.3	38.3
Increases	17.9	17.9
Decreases	-2.5	-2.5
Depreciation	-7.1	-
Exchange rate differences and other changes	-0.2	-0.2
Interest expenses	-	-0.4
Repayments of lease liability	-	-6.5
Dec 31, 2019	46.4	46.6

An incremental borrowing rate of 1.05% was used in years 2020 and 2019 as a discount rate for the future lease payments.

CHANGES OF LEASE AGREEMENTS IN THE STATEMENT OF COMPREHENSIVE INCOME

EUR million	For the year ended December 31,	
	2020	2019
Depreciation of lease assets	-8.4	-7.1
Interest cost from lease liabilities	-0.5	-0.4
Costs from short-term leases	-0.1	-0.3
Costs from service components included in lease agreements	-0.3	-0.3
Total expense in the statement of comprehensive income	-9.3	-8.1

In 2020, the cash outflow from lease agreements amounted to EUR 8.3 million (EUR 7.5 million in year 2019).

5.3 RELATED PARTY TRANSACTIONS

Related parties of the Group consist of the parent company, Group companies mentioned in note 5.1, and during comparative year 2019 also the companies controlled by the significant influence holder Intera Fund II Ky. Intera Fund II Ky owned 21% of the Company's outstanding shares on December 31, 2019. In September 2020 Intera Fund II KY sold the rest of its ownings in Kamux after sold some of the ownings already in 2019 and earlier in 2020. Related parties are also key management personnel and their close family members as well as entities controlled by them. Key management personnel are the members of the Board of Directors, CEO and Management Team.

locations with fixed-term lease agreements for 5-10 years. Group's lease liabilities for related party include the present value of future lease payments for the above mentioned showrooms.

Transactions with related parties were made on an arm's length basis.

MANAGEMENT HOLDINGS

The Company has established a management co-investment arrangement for certain key management personnel and other key employees. The co-investment arrangements

According to the agreements, the key employees of the arrangements have invested in shares issued by the Company. Investments made by key employees were carried out at the same valuation basis and substantially on the same terms as the investments made by the controlling owner.

The co-investment arrangement contains a share-based payment, but the valuation at the grant date indicates that the co-investments made and possible proceeds to employees do not contain additional benefits when compared to the controlling owner. As the Company does not have a contractual obligation to redeem the leavers in cash, and the Company has not, prior to 2016, used its right to redeem the shares of key employees' shares as their employment ends, the arrangement is classified as equity-settled share-based payment under IFRS. Accordingly, with the grant date fair value of the share-based payment being zero, no expense has been recognized in financial statements.

Holdings of the Board of Directors, CEO and Management Team of the Company's outstanding shares as of December 31, 2020 are presented in the following table:

EUR million	For the year ended December 31,	
	2020	2019
Sales of used cars	0.1	0.1
Purchases of used cars	-0.2	-0.2
Consulting expenses	-0.0	-0.1

EUR million	At December 31,	
	2020	2019
Lease liabilities	3.9	4.0

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

During 2019–2020, consulting expenses comprise consultancy fees paid to Virtanen Consulting GmbH, controlled by Matti Virtanen. The fees were related to the Group's geographical expansion.

The Group has leased from the CEO, his close family members and the companies controlled by them four

have been made with key employees of the Company employed before or during 2011–2017. The co-investment arrangement includes shareholders who have been shareholders before the ownership structure was formed in December 2011 and shareholders who have joined the Company as key employees after the 2011 ownership changes. The co-investments of key employees who have invested after the 2011 ownership changes but before the Company's listing to Nasdaq Helsinki Oy stock exchange main list on May 2017, are subject to the IFRS 2 standard.

	Ownership
Members of the Board of Directors	0.3 %
CEO	15.3 %
Other Management Team	0.4 %

MANAGEMENT'S SALARIES AND FEES

The Board of Directors decides on the remuneration and its criteria for the CEO and members of the Management Team. The salary of the CEO and members of Management Team consists of a monthly salary, bonus and share-based incentive arrangement. The Board of Directors decides the terms of bonuses annually. The CEO's and Management Team's bonuses are paid on the basis of personal goals set for the financial year and certain profitability targets. In 2020, the bonus percent of total wages may not exceed 40 percent for CEO and 40 percent for other Management Team members.

The Group CEO is entitled to the statutory pension and the retirement age is determined within the framework of statutory earnings-related pension plans. The CEO's retirement age is 63 years under the current legislation. Termination period for the CEO's employment contract is 6 months, and he/she is entitled to the salary for the termination period as well as the performance bonus until the termination date. In addition, if the Company terminates the contract, CEO is entitled under certain conditions to the amount corresponding to twelve months' total salary.

EUR thousand	For the year ended December 31,	
	2020	2019
Management Team salaries and other benefits (except CEO)		
Wages, salaries and benefits	1,369	1,315
Pension costs -defined contribution plans	270	324
Share-based benefits	47	187
Total	1,686	1,826
CEO salaries and benefits		
Wages, salaries and benefits	263	253
Pension costs -defined contribution plans	51	62
Share-based benefits	10	42
Total	324	357
Board of Directors salaries and benefits		
Harri Sivula	47	22
Reija Laaksonen	27	22
David Nuutinen	27	20
Jokke Paananen	27	20
Antti Mäkelä (from April 21, 2020)	20	-
Tuomo Vähäpassi (from April 21, 2020)	20	-
Matti Virtanen (until April 21, 2020)	12	36
Vesa Uotila (until December 31, 2019)	-	22
Total	179	143
Management and Board of Directors compensation in total	2,188	2,326

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS - MANAGEMENT HOLDINGS

The Group estimates whether the other management holdings than earned as a part of a share-based payment incentive scheme, include an incentive plan. Judgment is required when classifying the plan (as cash or equity-settled payments or arrangement with alternatives) and measuring the plan. Fair values of grant dates of the benefits, including in the arrangements have to be assessed for measurement.

SHARE-BASED INCENTIVE SCHEME

In April 2017, the Board of Directors of Kamux Corporation decided to establish a share-based incentive scheme for the Group's key personnel. The share-based incentive scheme comprises of separate yearly incentive plans based on the judgment of the Board of Directors of Kamux Corporation. The key personnel belonging to the scheme are Management Team members and also other key management personnel.

In December 2017, the Board of Directors of Kamux Corporation decided to approve the terms and conditions for the earnings period of year 2018 share-based incentive plan (LTI2018).

In January 2019, the Board of Directors of Kamux Corporation decided to approve the terms and conditions for the earnings period of year 2019 share-based incentive plan (LTI2019).

In January 2020, the Board of Directors of Kamux Corporation decided to approve the terms and conditions for the earnings period of year 2020 share-based incentive plan (LTI2020).

The earnings criteria applicable to years 2018–2020 plans are equivalent to each other by their essential parts. The amount of any gross reward paid pursuant to the plan for the earnings period is determined by the achievement of goals set for the earnings criteria. The earnings criterion applicable for the 2018 earnings period was achieving the EBIT target for 2018 set by the Board of Directors, the earnings criterion applicable for the 2019 earnings period was achieving the EBIT target for 2019 set by the Board of Directors and the earnings criterion applicable for the 2020 earnings period was achieving the EBIT target for 2020 set by the Board of Directors. Rewards resulting from the plan

LTI2018 were paid in shares and cash during spring 2019. Rewards resulting from the plan LTI2019 were paid in shares and cash during spring 2020. Any rewards resulting from the plan LTI2020 will be paid in shares and/or in cash after the end of the earnings period during spring 2021. The key terms and conditions for the earnings periods are described in the table below.

The plans are accounted for as an equity-settled payment with net settlement features. The plans have one year earnings period followed by a two-year commitment period. The fair value of the plans were determined on the grant date. The fair value of the each plan is expensed during the three years until the end of the commitment period. In the financial year 2020 the employee benefit expenses included EUR 0.2 million and in 2019 EUR 0.3 million costs accrued related to the share-based incentive scheme.

KEY TERMS AND CONDITIONS OF THE SHARE-BASED INCENTIVE SCHEME

Share-based incentive plan	LTI2020	LTI2019
Nature of the scheme	Shares	Shares
Initial grant date	January 16, 2020	January 23, 2019
Maximum amount of shares granted, pcs	about 180,000	about 180,000
Earnings and commitment period, years	3	3
Vesting conditions	To reach the EBIT target and remaining employment contract on Dec 31, 2022	To reach the EBIT target and remaining employment contract on Dec 31, 2021
Number of people entitled to participate	about 30	about 20
Payment method	Share and/or cash	Share and/or cash

MEASUREMENT FACTORS FOR THE SHARES GRANTED	LTI2020	LTI2019
Amount of shares at target level, pcs	84,200	91,350
Weighted average of share prices on grant dates, EUR	7.74	5.65
Return on equity requirement, %	11.29 %	12.19 %
Estimated wastage during the vesting period, %	10.00 %	10.00 %
Fair value of the scheme on the grant date, MEUR	0.6	0.5

CHANGES IN THE SHARE-BASED INCENTIVES DURING THE PERIOD

shares	2020	2019
January, 1 outstanding	151,403	60,246
Earned during the period	9,383	94,825
Vested during the period	-44,988	0
Forfeited during the period	-26,977	-3,668
December 31, outstanding	88,821	151,403

**ACCOUNTING POLICY
- SHARE-BASED INCENTIVE SCHEME**

Kamux's share-based incentive scheme is considered as an equity-settled payment, and the compensation costs are recognized based on the number of gross shares awarded. Any rewards resulting from the scheme will be paid after the end of the earnings period in the company's shares unless the Board of Directors decides to pay the reward partly or fully in cash. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided

it would have been equity-settled without the net settlement feature.

The earnings period for the yearly plans granted under the incentive scheme is a calendar year, followed by a two-year commitment period. The fair value of a share incentive is determined on the grant date of each yearly plan. This fair value of the plan is expensed during three years until the end of the commitment period. The effect of the scheme in profit or loss is presented in personnel expenses and the corresponding increase is presented in the equity.

5.4 SHARE CAPITAL AND RESERVES

Movements in the number of outstanding shares, treasury shares and total registered shares during the financial periods were as follows:

Number of shares, 1 000 pcs	Shares outstanding	Treasury shares	Total shares	Treasury shares EUR million
December 31, 2019	39,987	-	39,987	-
Share issue	30	-	30	-
Return of share-based payments	-2	2	-	-
December 31, 2019	40,015	2	40,017	-
Acquisition of treasury shares	-82	82	-	-0.5
Conveyance of treasury shares	52	-52	-	0.3
Return of share-based payments	-11	11	-	-
December 31, 2020	39,974	44	40,017	-0.2

The Company has one share class and each share has an equal right to dividend. Each share carries one vote at the general meeting. All issued shares are fully paid and they do not have par value.

Dividend distribution, acquisition or redemption of the treasury shares or other distribution of funds to the Company's shareholders require the fulfilment of certain terms of the financing agreement. For the financial year 2020, the Board of Directors proposes a dividend of EUR 9.6 million (EUR 0.24 per share). The Company paid a dividend of EUR 9.2 million (EUR 0.23 per share) in spring and autumn 2020 in two instalments.

The Board proposes that the dividend for the financial year 2020 will be paid in two instalments. The first dividend instalment, EUR 0.11 per share, is to be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the first dividend

instalment payment record date of April 23, 2021. The Board proposes that the first dividend instalment pay date be April 30, 2021. The second dividend instalment is to be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the second dividend instalment payment record date of October 22, 2021. The Board proposes that the second dividend instalment pay date be October 29, 2021. The Board proposes that it be authorized to decide, if necessary, on a new dividend payment record date and pay date for the second instalment if the rules and statutes of the Finnish book-entry system change or otherwise so require.

The subscription price of new shares is recognized as share capital unless it is determined in the share issue decision to be booked entirely or partly into the reserve for invested unrestricted equity. Payments to the reserve for invested unrestricted equity can be also done without a share

issue. The number of shares which have been paid but not yet registered at the end the financial year are entered to the share issue account.

The Company's share capital is EUR 80 thousand.

MOVEMENTS IN THE EQUITY RESERVES ARE AS FOLLOWS:

Acquisition, conveyance and returning of treasury shares in 2020

In March 2020 the Company acquired 82,360 own shares from the stock market. In consequence to the acquisition the retained earnings decreased by EUR 0.5 million. In April 2020, the company issued a total of 40,729 shares held by the company to the key personnel of the Kamux Group for the payment of the share-based incentive scheme of 2019. In May, the company transferred to the Members of the Board of Directors a total of 11,668 shares held by the company as a part of the annual compensation. In consequence to the transfer the retained earnings increased by EUR 0.3 million. In 2020, a total of 11,421 shares were in June, 1,231 shares in October and 7,745 shares in November were returned to the company without consideration due to the termination of employment of persons covered by the scheme. At the end of the review period, the company held 43,707 treasury shares, representing 0.11% of all shares.

Directed share issue in 2019

In March 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 the payment of share-based incentive scheme of 2018. The new shares were registered in the Finnish Trade Register on March 14, 2019. During the year 2019, a total of 2,323 shares of these new shares were returned to the company without consideration due to the termination of employment of persons belonging to the scheme. At the end of the review period, the Company held 2,323 treasury shares, representing 0.01% of all shares.

5.5 DEFERRED TAX

EUR million	January 1,	Recognized through profit or loss	December 31,
2020			
Deferred tax assets			
Provisions	0.4	0.0	0.5
Tax losses carried forward	-	0.7	0.7
Depreciation and amortization, inventory and lease agreements	0.1	0.1	0.2
Total	0.5	0.8	1.4
Deferred tax liabilities			
Loans from financial institutions	0.0	0.0	0.0
Accrued expenses and deferred income	0.1	-0.1	0.0
Total	0.1	-0.1	0.0
Total net	0.4	0.9	1.3
2019			
Deferred tax assets			
Provisions	0.4	0.1	0.4
Depreciation and amortization, inventory and lease agreements	0.0	0.1	0.1
Total	0.4	0.1	0.5
Deferred tax liabilities			
Loans from financial institutions	0.0	-0.0	0.0
Accrued expenses and deferred income	-	0.1	0.1
Total	0.0	0.1	0.1
Total net	0.4	0.0	0.4

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the taxes collected by the same fiscal authority. In Sweden, the Group had unused tax losses EUR 3.4 million as of December 31, 2020 and EUR 4.3 million as of December 2019, and in Germany EUR 10.2 million as of December 31, 2020 and EUR 7.9 million as of December 31, 2019. These losses will not expire under the current tax regulations. In 2020 a deferred tax receivable of EUR 0.7 million was recognized from the unused tax losses carried forwards in Sweden.

No deferred tax asset has been recognized for the unused tax losses carried forwards in Germany due to the operating losses of the early phase of operations.

ACCOUNTING POLICY - DEFERRED TAX BALANCES

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized on deductible temporary differences only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS - DEFERRED TAX ASSETS ON TAX LOSSES CARRIED FORWARD

At the end of each reporting period, the management makes judgment in assessing the conditions for the recognition of deferred tax assets on tax losses carried forwards. The unused tax losses carried forwards can be utilized against the future taxable profit in a company in which they have been arisen. The management estimates the probability of the availability of future taxable profits or the existence of other reliable evidence on availability of future taxable profits against which the unused tax losses carried forwards can be utilized.

5.6 EVENTS AFTER THE REPORTING DATE

On January 5, 2021 Kamux announced that the Tampere Lielähti showroom will relocate to new premises.

On January 12, 2021 Kamux announced the opening of a mega store in Gothenburg.

On January 20, 2021 Kamux announced, that Germany extends lock-down and Kamux's car sales continues solely online.

On February 3, 2021 Marjo Nurmi (Master of Health Science, b. 1975) was appointed as Chief People Officer and as Member of the Management Team of Kamux Corporation.

On February 26, 2021 published its strategy for the period 2021–2023.

On February 26, 2021 the Board of Directors of Kamux Corporation decided to approve the new long-term incentive plan for the Group's key persons for 2021–2023.

5.7 NEW AND FORTHCOMING IFRS STANDARDS

NEW AND REVISED STANDARDS EFFECTIVE IN JANUARY 1, 2020

In preparing these consolidated financial statements, Kamux has followed the same accounting policies as in the annual financial statements for 2019. The changes of the IFRS standards and interpretations effective for periods after January 1, 2021 were amendments to existing standards, as for example clarifications of the definitions of "material" or "business operations" and reliefs on accounting treatment of concessions granted to lessees in consequence of covid-19 pandemic. These changes had no material impact on the consolidated financial statements and the Group has not applied the reliefs.

Also, the IASB issued a revised Conceptual framework which key changes included increase of the prominence of stewardship in the objective of financial reporting, renewal of the definitions of an asset and a liability, removal of the probability threshold for recognition and adding guidance on derecognition, among others. The amendment came effective for accounting periods beginning on or after January 1, 2020. The revision had no material impact on the consolidated financial statements.

NEW AND REVISED STANDARDS TO BE ADOPTED IN LATER FINANCIAL YEARS

Kamux has not yet applied the following new and revised standards and interpretations already issued and that are endorsed by the European Union but will be effective on financial years beginning on or after January 1, 2021. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year. The amendments are considering the effects of interest rate benchmark reform (IBOR) on financial statements reporting. Management estimates that the amendments will not have a material effect on the consolidated financial statements.



PARENT COMPANY FINANCIAL STATEMENTS



PARENT COMPANY INCOME STATEMENT (FAS)

EUR million	For the year ended December 31,	
	2020	2019
REVENUE	4.1	4.2
Other operating income	0.0	0.0
Expenses		
Materials and services		
Purchases of materials	-0.0	0.0
Total materials and services	-0.0	0.0
Personnel expenses		
Salaries and fees	-1.7	-2.0
Social security expenses		
Pension expenses	-0.3	-0.3
Other social security expenses	0.0	0.0
Total personnel expenses	-2.0	-2.3
Depreciation and amortization		
Depreciation and amortization according to plan	-0.0	-0.0
Other operating expenses	-2.4	-1.9
Total expenses	-4.5	-4.2
OPERATING LOSS	-0.3	-0.1
Financial income and expenses		
Interest and other financial income		
From Group companies	1.2	2.8
From others	1.8	0.9
Total	3.0	3.7
Interest and other financial expenses		
To others	-2.3	-1.3
Total	-2.3	-1.3
Total financial income and expenses	0.7	2.3
PROFIT BEFORE APPROPRIATIONS AND TAXES	0.4	2.3
Appropriations		
Group contributions received	25.0	20.0
Total appropriations	25.0	20.0
Direct taxes	-5.1	-4.5
PROFIT FOR THE FINANCIAL YEAR	20.3	17.8

PARENT COMPANY BALANCE SHEET (FAS)

EUR million	At December 31,	
	2020	2019
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	0.0	0.0
Total	0.0	0.0
Investments		
Investments in subsidiaries	38.3	34.8
Total	38.3	34.8
CURRENT ASSETS		
Non-current receivables		
Non-current receivables from Group companies	5.6	7.8
Total	5.6	7.8
Current receivables		
Receivables from Group companies	59.3	36.4
Other receivables	0.2	0.1
Prepaid expenses and accrued income	0.1	0.0
Total	59.7	36.5
Investments		
Other shares and similar rights of ownership	4.0	-
Cash at hand and in banks	6.8	27.4
TOTAL ASSETS	114.4	106.7

EUR million	At December 31,	
	2020	2019
LIABILITIES AND EQUITY		
Equity		
Share capital	0.1	0.1
Invested non-restricted equity reserve	25.3	25.3
Retained earnings	45.8	37.3
Profit for the year	20.3	17.8
Total	91.5	80.5
Liabilities		
Non-current liabilities		
Loans from financial institutions	15.0	16.5
Liabilities to Group companies	4.7	4.5
Current liabilities		
Interest-bearing		
Loans from financial institutions	2.0	3.0
Liabilities to Group companies	0.1	0.1
Non-interest-bearing		
Trade payables	0.2	0.2
Liabilities to Group companies	0.3	0.2
Other current liabilities	0.1	0.1
Accrued expenses and deferred income	0.6	1.6
Total	22.9	26.1
TOTAL LIABILITIES AND EQUITY	114.4	106.7

PARENT COMPANY CASH FLOW STATEMENT (FAS)

	For the year ended December 31,	
EUR million	2020	2019
Profit for the financial year	20.3	17.8
Adjustments:		
Financial income and expenses	-0.7	-2.3
Group contributions received	-25.0	-20.0
Depreciation and amortization	0.0	0.0
Direct taxes	5.1	4.5
Change in net working capital:		
Change in trade and other receivables	-0.2	0.2
Change in trade and other payables	-0.1	-0.4
Interests paid and payments on other operating expenses	-0.6	-0.4
Interests received	1.1	2.9
Taxes paid	-5.9	-3.7
Net cash from/in operating activities (A)	-6.2	-1.5
Investments in subsidiaries	-	-1.0
Net cash from/in investing activities (B)	-	-1.0
Repayments of bank loans	-12.5	-3.0
Proceeds from bank loans	10.0	-
Net change of intra-group receivables and payables	-18.6	10.1
Dividends paid	-9.2	-6.4
Purchase of treasury shares	-0.5	-
Proceeds from share issues	0.3	-
Group contributions received	20.0	16.5
Net cash from/in financing activities (C)	-10.4	17.2
Change in cash (A+B+C)	-16.6	14.7
Cash at hand and in bank at the beginning of the financial year	27.4	12.7
Cash at hand and in bank at the end of the financial year	10.8	27.4

ACCOUNTING PRINCIPLES OF THE PARENT COMPANY FINANCIAL STATEMENTS

GENERAL INFORMATION

The financial statements of Kamux Corporation are prepared in accordance with Finnish Accounting Standards (FAS). The accounting principles of the consolidated financial statements are applied to the appropriate extent in the preparation of the Company's financial statements. In the following paragraphs are described the accounting principles of the parent company to the extent they differ from the accounting principles for the consolidated financial statements.

REVENUE

Revenue of the Company consists of intra-group management fees.

INTRA-GROUP RECEIVABLES AND LIABILITIES

Intra-group receivables and liabilities of the Company consist of intra-group transactions. Receivables are recognized in

the balance sheet at lower of their nominal value and their probable value, whichever is lower. Liabilities are measured at their nominal value. Interest income and expenses relating to receivables and liabilities are recognized on accrual basis and accrued to the financial year on the basis of the time period.

LOANS AND INTEREST EXPENSES

Loans from banks are recognized at their nominal value. Transaction costs related to loans are expensed at the time of taking out a loan. Interest expenses of the loans are recognized in the income statement on accrual basis and accrued to the financial year on the basis of the time period.

DEFERRED TAX ASSETS

The Company does not recognize deferred tax assets in the financial statements of the parent company.

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

EUR million	2020	2019
Revenue		
Services to Group companies	4.1	4.2
Total	4.1	4.2
Revenue		
Geographical distribution		
Domestic	2.7	3.1
Other Europe	1.4	1.0
Total	4.1	4.2
Personnel expenses and fees		
Salaries and fees	1.7	2.0
Pension expenses	0.3	0.3
Other social security expenses	0.0	0.0
Total	2.0	2.3
Number of personnel	10	9
Other operating expenses		
Voluntary personnel expenses	0.0	0.1
Travel expenses	0.0	0.1
Marketing expenses	0.0	0.1
Administrative services	2.0	1.4
Other administrative expenses	0.1	0.1
Other operating expenses	0.3	0.2
Total	2.4	1.9
Auditor's remuneration		
Audit fee	0.1	0.1
Other services from main auditor	0.0	-
Total	0.1	0.1
Appropriations		
Group contribution received	25.0	20.0
Total	25.0	20.0

EUR million	2020	2019
Non-current assets		
Intangible rights		
opening balance Jan 1	-	0.0
amortizations during the financial year	-	0.0
closing balance Dec 31	-	-
Other capitalized long term expenditures		
opening balance Jan 1	0.0	0.0
amortizations during the financial year	0.0	0.0
decreases during the financial year	-	0.0
transfers between item	-	0.0
closing balance Dec 31	0.0	0.0
Investments		
Investments in subsidiaries		
opening balance Jan 1	34.8	32.8
additions during the financial year	3.5	2.0
closing balance Dec 31	38.3	34.8
Non-current receivables from Group companies		
Non-current loan receivables from Group companies	3.7	6.3
Non-current interest receivables	1.8	1.6
Total	5.6	7.8
Current receivables from Group companies		
Current loan receivables from Group companies	56.5	34.0
Interest receivables	0.9	1.0
Trade receivables	1.9	1.3
Total	59.3	36.4
Shares		
Group companies		
Kamux Suomi Oy	100%	100%
Suomen Autorahaksi Oy (100%)		
KMX Holding AB	100%	100%
Kamux AB (100%)		
Kamux Auto GmbH	100%	100%

EUR million	2020	2019
Changes in equity during the financial year		
Share capital on Jan 1	0.1	0.1
Share capital on Dec 31	0.1	0.1
Invested non-restricted equity reserve on Jan 1	25.3	25.3
Invested non-restricted equity reserve on Dec 31	25.3	25.3
Retained earnings on Jan 1	55.1	43.7
Dividend distribution	-9.2	-6.4
Acquisition of treasury shares	-0.5	-
Sale or conveyance of treasury shares	0.3	-
Retained earnings on Dec 31	45.8	37.3
Profit/loss for the financial year	20.3	17.8
Total equity	91.5	80.5
Distributable earnings Dec 31		
Retained earnings	45.8	37.3
Profit for the financial year	20.3	17.8
Invested non-restricted equity fund	25.3	25.3
Total	91.4	80.4
Loans from financial institutions		
Nordea Pankki Suomi Oyj		
Instalments to be paid within one year	2.0	3.0
Instalments to be paid after one year	15.0	16.5
Total	17.0	19.5
Other liabilities		
Current other liabilities	0.1	0.1
Total	0.1	0.1
Non-current loans to Group companies		
Non-current loan liabilities to Group companies	4.7	4.5
Total	4.7	4.5

EUR million	2020	2019
Current loans to Group companies		
Current loans to Group companies	0.1	0.1
Trade payables	-	0.0
Accrued expenses and deferred income	0.3	0.2
Total	0.3	0.3
Accrued expenses and deferred income		
Personnel expenses	0.5	0.8
Taxes	-	0.9
Other	0.0	0.0
Total	0.6	1.6
Pledges and guarantees		
Loans	29.0	29.5
Amount in use	17.0	19.5
Guarantees given on loans		
General guarantee		
Business mortgages		
Total bearer bonds	26.0	26.0
Special guarantee		
Business mortgages		
Total bearer bonds	26.0	26.0
Pledged subsidiary shares		
Total shares of Kamux Auto GmbH		
Total shares of KMX Holding Ab		
Total shares of Kamux Suomi Oy		
Kamux Oyj has given non-restricted general guarantee on behalf of its subsidiaries in Finland, Sweden and Germany and pledged the shares of these subsidiaries.		

SIGNATURES FOR THE REPORT BY THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS

Hämeenlinna, February 25, 2021

Harri Sivula

Chairman of the Board

Reija Laaksonen

Member of the Board

Antti Mäkelä

Member of the Board

David Nuutinen

Member of the Board

Jokke Paananen

Member of the Board

Tuomo Vähäpassi

Member of the Board

Juha Kalliokoski

CEO

The Auditor's Note

A report on the audit performed has been issued today.

Helsinki, February 25, 2021

PricewaterhouseCoopers Oy
Authorized Public Accountants

Janne Rajalahti
Authorized Public Accountant

AUDITOR'S REPORT (TRANSLATION OF THE FINNISH ORIGINAL)

To the Annual General Meeting of Kamux Oyj

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position and financial performance and cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited

We have audited the financial statements of Kamux Oyj (business identity code 2442327-8) for the year ended 31 December 2020. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies
- the parent company's balance sheet, income statement, statement of cash flows and notes.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing

practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and to the group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 2.4 to the Financial Statements.

Our Audit Approach

Overview



- Overall group materiality: € 2 600 000, calculated based on a combination of revenue and profit before tax.
- Our audit procedures covered all countries and group locations significant to the Group, with emphasis on the most prominent locations in Finland and Sweden.
- Valuation of inventories
- Accuracy of repair liability provision related to car sales
- Valuation of subsidiary shares

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table on next page. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

OVERALL GROUP MATERIALITY	€ 2,600,000 (previous year € 2,600,000)
HOW WE DETERMINED IT	An average of 5 % of profit before tax and 1 % of revenue. Weighted 60 % profit before tax and 40% revenue.
RATIONALE FOR THE MATERIALITY BENCHMARK APPLIED	The Kamux company in a strong growth phase and the company's strategy focuses on revenue growth targets. We chose a combination of profit before tax and revenue as the benchmark because, in our view, these are benchmarks against which the performance of the company is most commonly measured by readers of the financial statements. We chose 5 % of profit before tax and 1 % of revenue which are within the ranges of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit taking into account the structure of the group, the industry in which the group operates and the accounting processes and controls.

Our audit procedures covered all significant components of the group. The audit of the consolidated financial statements was focused on the most significant locations in Finland and Sweden, where we performed an audit based on the size of the companies and the characteristics of the risks. In other group companies we have performed analytical audit procedures to mitigate the risk of material misstatements in the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

KEY AUDIT MATTER IN THE AUDIT OF THE GROUP	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p>Valuation of inventories Refer to note 3.1.</p> <p>Kamux measures inventory (93,6 million eur) at lower of cost and net realizable value. The cost of an individual car included in the inventory balance is determined using the purchase price for the car including directly attributable repair costs for reconditioning the car for selling purposes.</p> <p>At the reporting date, a detailed review for net realizable value is executed for cars that have been in inventory for more than 90 days.</p> <p>Valuation of inventories is a key audit matter due to the size of the balance and the level of management judgement involved in the estimation process.</p>	<p>Our audit procedures included obtaining an understanding of management's processes and controls related to the accuracy of the valuation of inventories.</p> <p>In our audit we evaluated the appropriateness of the valuation principles of the group and their application to the valuation of inventories.</p> <p>We evaluated management's estimate of the need for write-downs for cars over 90 days in stock. We evaluated the accuracy of the write-downs compared to the group valuation principles, subsequent sales transactions and other circumstances indentified during the audit.</p> <p>We tested the value of a sample of cars included in inventory at year-end. We compared the inventory value of the cars in the sample to purchase costs.</p> <p>We tested the net realizable value of a sample included in inventory at year-end. We compared the inventory value of the cars in the sample to a subsequent sale price or market value.</p>
<p>Accuracy of repair liability provision related to car sales Refer to note 2.3</p> <p>Estimated repair liability costs (3,1 million eur) is recognized as repair liability provisions when the car is sold. The amount of repair liability provision is based on historical statistics about realized repair liability costs and the estimated trends of repair liability costs.</p> <p>The accuracy of the repair liability provision is a key audit matter due to the level of management judgement involved in the estimation process.</p>	<p>To assess the adequacy and accuracy of the repair liability provision we compared actual repair costs to management's calculation of the provision. We also reconciled the repair liability provision to the company's calculation of historical statistics.</p> <p>We interviewed management to identify events which could have an impact on the repair liability costs in near future.</p> <p>We tested costs that have occurred in the subsequent financial year to detect any material costs that should have been taken into account when calculating the provision.</p>
<p>Valuation of subsidiary shares in the parent company's financial statements Refer to parent company's financial statement notes.</p> <p>Valuation of subsidiary shares is a key audit matter due to the size of the balance and the level of management judgement involved in the estimation process.</p> <p>As at 31 December 2020 the value of Kamux Oyj's subsidiary shares amounted to € 38,3 million in the parent company's financial statements prepared in accordance with Finnish GAAP.</p> <p>The valuation of subsidiary shares is tested as part of the group impairment testing based on the discounted cash flow model.</p>	<p>We reviewed management's impairment test of subsidiary shares. We assessed the appropriateness of the method and assumptions used in the impairment test.</p> <p>We evaluated the process of preparing the forecasted cashflows, e.g. by comparing the forecasts to medium term strategic plans and estimates approved by the board and by testing key assumptions.</p> <p>We compared the current year actual results to those included as estimates in the prior year impairment test.</p> <p>We interviewed management about subsequent events which might require changes to management's estimates regarding the subsidiaries' ability to generate income or the valuation of subsidiary shares.</p>
<p>There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.</p>	

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or

in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the

parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS**Appointment**

We were first appointed as auditors by the annual general meeting on 9 October 2015. Our appointment represents a total period of uninterrupted engagement of six years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 25 February 2021

PricewaterhouseCoopers Oy

Authorised Public Accountants

Janne Rajalahti

Authorised Public Accountant (KHT)



KAMUX CORPORATION

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