

INTERIM REPORT

January—September

2020



Kamux Corporation’s Interim Report for January 1 – September 30, 2020

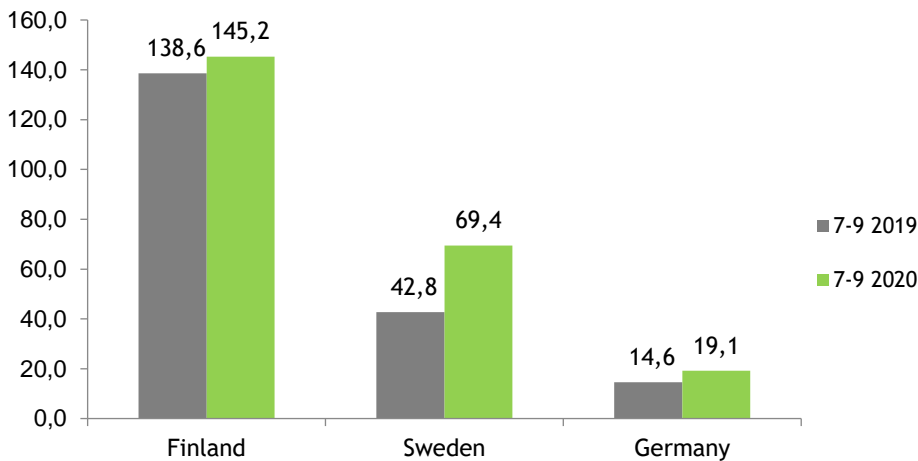
Kamux Saw Strong and Very Profitable Growth – Revenue Growth +13.5% and Adjusted Operating Profit +44.0%

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

July–September in brief

- Revenue increased by 13.5%, totaling EUR 207.4 million (182.8)
- Gross profit increased by 26.3% to EUR 28.9 million (22.8), or 13.9% (12.5) of revenue
- Adjusted operating profit (EBIT) increased by 44.0% to EUR 12.4 million (8.6), or 6.0% (4.7) of revenue
- Operating profit (EBIT) increased by 41.1% to EUR 12.1 million (8.6), or 5.8% (4.7) of revenue
- The number of cars sold increased by 12.2% to 17,285 cars (15,409)
- Like-for-like showroom revenue growth was 3.1% (9.6)
- Earnings per share were EUR 0.23 (0.16)

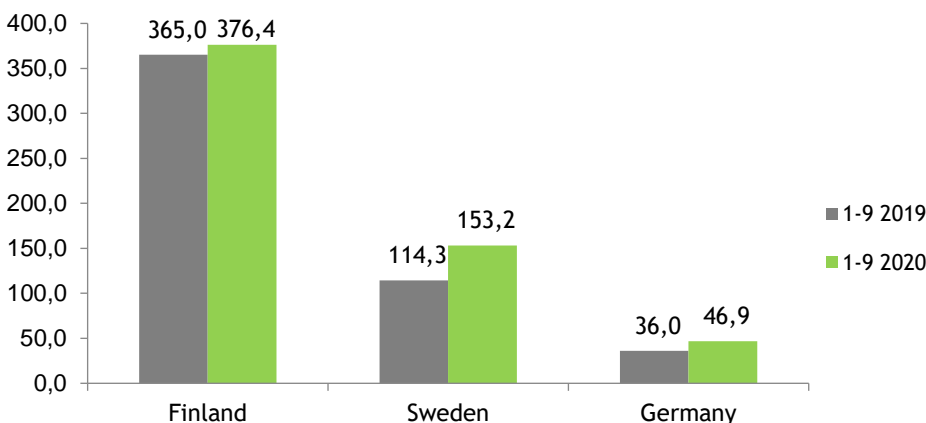
Revenue of business segments in July–September, EUR million



January–September in brief

- Revenue increased by 8.7%, totaling EUR 525.3 million (483.1)
- Gross profit increased by 13.7% to EUR 67.7 million (59.6), or 12.9% (12.3) of revenue
- Adjusted operating profit (EBIT) increased by 15.9% to EUR 23.2 million (20.0), or 4.4% (4.1) of revenue
- Operating profit (EBIT) increased by 19.2% to EUR 23.8 million (20.0), or 4.5% (4.1) of revenue
- The number of cars sold increased by 9.5% to 44,924 cars (41,037)
- Like-for-like showroom revenue decline was -4.6% (2.8)
- Earnings per share were EUR 0.45 (0.36)
- The business acquisition of Autosilta was concluded on January 9, 2020.
- As published in a stock exchange release on March 20, due to the corona pandemic, it is not likely that Kamux will reach its medium-term targets this year.

Revenue of business segments in January–September, EUR million



Key figures

EUR million	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	1-12/ 2019
Revenue	207.4	182.8	13.5%	525.3	483.1	8.7%	658.5
Gross profit	28.9	22.8	26.3%	67.7	59.6	13.7%	79.6
as percentage of revenue, %	13.9%	12.5%		12.9%	12.3%		12.1%
Operating profit (EBIT)	12.1	8.6	41.1%	23.8	20.0	19.2%	25.3
as percentage of revenue, %	5.8%	4.7%		4.5%	4.1%		3.8%
Adjusted operating profit*	12.4	8.6	44.0%	23.2	20.0	15.9%	25.4
as percentage of revenue, %	6.0%	4.7%		4.4%	4.1%		3.9%
Revenue from integrated services	9.4	8.6	10.2%	27.0	23.5	14.6%	32.9
as percentage of revenue, %	4.6%	4.7%		5.1%	4.9%		5.0%
Number of cars sold	17,285	15,409	12.2%	44,924	41,037	9.5%	55,432
Gross profit per sold car, EUR	1,669	1,482	12.6%	1,508	1,452	3.8%	1,437
Sales growth of like-for-like showrooms, %	3.1%	9.6%		-4.6%	2.8%		6.3%
Net debt				45.0	39.9	12.9%	38.5
Inventories				95.2	76.1	25.0%	70.2
Inventory turnover, days				50.9	48.2	5.6%	44.5
Capital expenditures	1.0	0.6	83.7%	3.3	1.8	83.7%	2.7
Average number of employees during the period				690	579	19.2%	595
Return on equity (ROE), %				27.0%	24.9%		25.3%
Return on investment (ROI), %				15.5%	16.9%		16.7%
Equity ratio, %				43.4%	44.8%		45.1%
Earnings per share, basic, EUR	0.23	0.16	40.6%	0.45	0.36	25.0%	0.48

* Operating profit adjusted for special items related to strategy planning, geographical expansion and taxes from previous financial years, totaling EUR 0.2 million for 7-9/2020 and EUR -0.6 million for 1-9/2020 (7-9/2019: EUR 0.0 million, 1-9/2019: EUR 0.0 million and 1-12/2019: EUR 0.1 million).

CEO Juha Kalliokoski:

“With regards to the corona pandemic, the third quarter saw people’s shopping behavior and mobility becoming partially normalized while concentrating within domestic borders in all our operating countries. This was reflected in the used car market, which grew in Finland, Sweden, and Germany. We achieved very profitable growth in all three markets. Our strengths and key enablers of growth include our digitally focused operating model and cross-selling. In changing situations, our ability to react quickly and to have comprehensive knowledge of the market dynamics are also crucial.

Kamux’s revenue increased by 13.5% and the adjusted operating profit by 44.0%. In Finland, the operating profit increased to 8.2% (6.9) of revenue. In Sweden, the operating profit grew significantly compared to the previous year, amounting to EUR 1.4 million (0.5). In Germany, the operating profit was positive for the first time since starting operations in the market. Return on equity was 27.0% (24.9).

The purchasing market was challenging in the summer. As new car sales picked up in September, the availability of used cars in the market improved. We systematically increased our inventory towards the end of the third quarter. At the same time, in our purchasing activities, we took into account the seasonal variation typical of the used car sales, where the active sales of the summer season level off towards the end of the year.

The future impacts of the corona pandemic are not yet known, but the year 2020 has demonstrated that Kamux’s concept is working and that we are able to respond quickly even to significant changes in the operating environment.

We appointed Aleksandar Amann as Country Director of Kamux Germany in September. He took up his post at the beginning of November. Mr. Amann has extensive business experience in used car retail, including car sales, purchasing, logistics, and leading large-scale processes and business operations.”

Outlook and financial targets

Kamux does not provide a short-term outlook. The company's medium-term annual financial targets for 2019–2022 are 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 have caused significant changes to Kamux's operating environment, leading to the company publishing 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 have been made to the medium-term targets set by the Board of Directors because of the situation.

Market review

The corona pandemic situation was calm during the summer in Kamux's operating countries. However, the number of infections started to increase again in August–September, anticipating a second wave of the pandemic. In Finland, regional recommendations were introduced with regards to e.g. wearing face masks. In Germany, people continued to wear face masks when visiting shops and running errands throughout the summer. In Sweden, guidance related to the pandemic has been updated without introducing face mask recommendations. The various actions implemented to curb the pandemic have had an impact on people's shopping behavior. In situations like this, the importance of digital channels is emphasized.

In the European Union region, new car registrations decreased by -28.8% in January–September 2020. September was the first month of the year with an increase in new car registrations. The growth in registrations was +3.1% compared to the corresponding period of the previous year (ACEA).

According to the company's estimate, the used car market increased in Finland and Germany in the third quarter. The market growth was strong in Sweden compared to the corresponding period of the previous year. The company estimates that it continued to be a market leader in Finland and among the ten largest used car retailers in Sweden. Kamux estimates that its share of the used car market in Germany increased during the third quarter. It is, however, still marginal.

Kamux estimates that the used car market sizes in 2019 in the countries in which Kamux operates were as follows: approximately 0.5 million cars sold yearly in Finland, approximately 1.2 million cars in Sweden, and approximately 7.2 million cars in Germany. Kamux estimates that the used car market size in all three operating countries totals approximately 9 million sold cars annually, which is more than EUR 100 billion.

Revenue in July–September 2020

Revenue increased by 13.5% compared to the corresponding period of the previous year and amounted to EUR 207.4 million (182.8). Kamux's integrated services revenue increased to EUR 9.4 million (8.6), or 4.6% (4.7) of total revenue.

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 12.2% compared to the corresponding period of the previous year and amounted to 17,285 cars (15,409). Revenue per sold car amounted to EUR 12,000 (11,864).

Revenue in January–September 2020

Revenue increased by 8.7% compared to the corresponding period of the previous year and amounted to EUR 525.3 million (483.1). Kamux's integrated services revenue increased to EUR 27.0 million (23.5), or 5.1% (4.9) of total revenue.

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 9.5% compared to the corresponding period of the previous year and amounted to 44,924 cars (41,037). Revenue per sold car amounted to EUR 11,693 (11,771).

Revenue allocation

EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019
Sales of used cars	198.0	174.2	498.3	459.5	625.6
Financing fees and Insurance commissions	8.0	7.2	22.6	19.7	27.7
Sales of Kamux Plus	1.5	1.3	4.4	3.9	5.3
Total	207.4	182.8	525.3	483.1	658.5

Result in July–September 2020

Gross profit increased by 26.3% compared to the corresponding period of the previous year and amounted to EUR 28.9 million (22.8). Gross profit increased in all operating countries. In Kamux Group, gross profit as percentage of revenue increased by 1.4 percentage points to 13.9% (12.5). As the market situation caused by the corona pandemic partially normalized, there was no need to recognize material exceptional inventory write-downs in the balance sheet at the end of the third quarter.

The adjusted operating profit increased by 44.0% and amounted to EUR 12.4 million (8.6), or 6.0% (4.7) of revenue. The adjusted operating profit has been adjusted for special items related to strategic planning, geographical expansion and taxes from previous financial years. The items adjusting the operating profit totaled EUR 0.2 million (0.0) in the third quarter and consisted mainly of expenses related to previous financial years' taxes.

Operating profit (EBIT) increased by 41.1% compared to the previous year, amounting to EUR 12.1 million (8.6).

The profit before taxes for the third quarter amounted to EUR 11.3 million (8.4). Earnings per share amounted to EUR 0.23 (0.16).

Result in January–September 2020

Gross profit increased by 13.7% compared to the corresponding period of the previous year and amounted to EUR 67.7 million (59.6). Gross profit as percentage of revenue increased by 0.6 percentage points to 12.9% (12.3). Gross profit increased across all segments, but gross profit as percentage of revenue decreased in Sweden.

The adjusted operating profit increased by 15.9% and amounted to EUR 23.2 million (20.0), or 4.4% (4.1) of revenue. The items adjusting the operating profit totaled EUR -0.6 million (0.0) in January–September.

Operating profit (EBIT) increased by 19.2% compared to the previous year, amounting to EUR 23.8 million (20.0).

The profit before taxes for January–September amounted to EUR 22.6 million (18.5). Earnings per share amounted to EUR 0.45 (0.36).

Key figures of the business segments

pcs	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	1-12/ 2019
Number of cars sold without internal sales							
Finland	12,751	12,213	4.4%	33,979	32,516	4.5%	43,404
Sweden	3,143	2,132	47.4%	7,609	5,878	29.4%	8,263
Germany	1,391	1,064	30.7%	3,336	2,643	26.2%	3,765
Segments total	17,285	15,409	12.2%	44,924	41,037	9.5%	55,432
EUR million							
Revenue	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	1-12/ 2019
Finland	145.2	138.6	4.8%	376.4	365.0	3.1%	490.9
Sweden	69.4	42.8	62.3%	153.2	114.3	34.1%	158.5
Germany	19.1	14.6	31.6%	46.9	36.0	30.1%	52.2
Segments total	233.8	195.9	19.3%	576.5	515.3	11.9%	701.5
Group functions and eliminations	-26.4	-13.1	-101.1%	-51.2	-32.3	-58.7%	-43.0
Total	207.4	182.8	13.5%	525.3	483.1	8.7%	658.5
Gross Profit							
Finland	22.1	18.7	18.4%	53.0	48.4	9.4%	63.6
Sweden	4.9	3.0	61.6%	11.0	8.3	32.3%	11.6
Germany	1.9	1.2	61.6%	3.8	2.9	31.4%	4.4
Segments total	28.9	22.8	26.3%	67.7	59.6	13.7%	79.6
Group functions and eliminations	-	-	-	-	-	-	-
Total	28.9	22.8	26.3%	67.7	59.6	13.7%	79.6
Gross profit, as percentage of revenue, %							
Finland	15.2%	13.5%		14.1%	13.3%		13.0%
Sweden	7.1%	7.1%		7.2%	7.3%		7.3%
Germany	9.8%	7.9%		8.1%	8.0%		8.4%
Segments total	12.3%	11.7%		11.8%	11.6%		11.4%
Group functions and eliminations	-	-		-	-		-
Total	13.9%	12.5%		12.9%	12.3%		12.1%
Operating profit							
Finland	11.9	9.5	24.6%	26.7	23.0	16.0%	29.4
Sweden	1.4	0.5	205.5%	2.0	1.1	79.3%	1.3
Germany	0.1	-0.3	118.8%	-1.1	-1.0	-9.5%	-1.0
Segments total	13.4	9.7	38.2%	27.6	23.1	19.3%	29.6
Group functions and eliminations	-1.3	-1.1	-15.6%	-3.8	-3.2	-19.6%	-4.3
Total	12.1	8.6	41.1%	23.8	20.0	19.2%	25.3

EUR million	7-9/ 2020	7-9/ 2019	Change, %	1-9/ 2020	1-9/ 2019	Change, %	1-12/ 2019
Operating profit, as percentage of revenue, %							
Finland	8.2%	6.9%		7.1%	6.3%		6.0%
Sweden	2.1%	1.1%		1.3%	1.0%		0.8%
Germany	0.3%	-2.2%		-2.3%	-2.8%		-2.0%
Segments total	5.7%	4.9%		4.8%	4.5%		4.2%
Group functions and eliminations	-	-		-	-		-
Total	5.8%	4.7%		4.5%	4.1%		3.8%
Special items adjusting operating profit							
Finland	-0.1	-		0.8	-		-0.1
Sweden	-0.0	-		-0.0	-		-
Germany	-	-		-	-		-
Segments total	-0.1	-		0.8	-		-0.1
Group functions and eliminations	-0.1	-		-0.2	-0.0		-0.0
Total	-0.2	-		0.6	-0.0		-0.1
Operating profit adjusted for special items							
Finland	11.9	9.5	25.5%	25.9	23.0	12.4%	29.4
Sweden	1.5	0.5	213.7%	2.0	1.1	82.9%	1.3
Germany	0.1	-0.3	118.8%	-1.1	-1.0	-9.5%	-1.0
Segments total	13.5	9.7	39.4%	26.8	23.1	15.9%	29.6
Group functions and eliminations	-1.1	-1.1	-3.6%	-3.6	-3.1	-15.8%	-4.2
Total	12.4	8.6	44.0%	23.2	20.0	15.9%	25.4
Operating profit adjusted for special items, as percentage of revenue, %							
Finland	8.2%	6.9%		6.9%	6.3%		6.0%
Sweden	2.1%	1.1%		1.3%	1.0%		0.8%
Germany	0.3%	-2.2%		-2.3%	-2.8%		-2.0%
Segments total	5.8%	4.9%		4.6%	4.5%		4.2%
Group functions and eliminations	-	-		-	-		-
Total	6.0%	4.7%		4.4%	4.1%		3.9%

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

percentage, %	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Financing services					
Finland	42	47	43	48	48
Sweden	45	46	47	46	46
Germany	21	22	21	22	22
Insurance services					
Finland	48	50	48	49	49
Sweden	94	90	93	91	91
Kamux Plus					
Finland	18	19	18	19	19
Sweden	13	20	17	22	22

Finland in July–September 2020

Revenue increased by 4.8% compared to the corresponding period of the previous year, amounting to EUR 145.2 million (138.6). The number of cars sold increased by 538, or 4.4% compared to the third quarter of the previous year, amounting to 12,751 cars (12,213). The growth was driven by new showrooms. Integrated services revenue increased to EUR 8.0 million (7.4), or 5.5% (5.3) of revenue. Operating profit increased by 24.6% compared to the corresponding period of the previous year, amounting to EUR 11.9 million (9.5), or 8.2% (6.9) of revenue. The recommendations and restrictions related to the corona pandemic were mild in the summer but became stricter in certain regions towards the end of the third quarter as the second wave of the pandemic began.

Finland in January–September 2020

Revenue increased by 3.1% compared to the corresponding period of the previous year, amounting to EUR 376.4 million (365.0). The number of cars sold during January–September increased by 1,463, or 4.5% compared to the corresponding period of the previous year, amounting to 33,979 cars (32,516). Integrated services revenue increased to EUR 23.2 million (20.6), or 6.2% (5.6) of revenue during January–September. Operating profit increased by 16.0% compared to the corresponding period of the previous year, amounting to EUR 26.7 million (23.0), or 7.1% (6.3) of revenue. In January–September, 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. 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 guidance related to mobility, assembly, visiting shops and running errands was updated.

Sweden in July–September 2020

Total revenue increased by 62.3% compared to the corresponding period of the previous year, amounting to EUR 69.4 million (42.8). External revenue increased by 47.3%, amounting to EUR 44.3 million (30.1). The number of cars sold during the third quarter increased by 1,011, or 47.4% compared to the third quarter of the previous year, amounting to 3,143 cars (2,132). The growth was driven by new showrooms and sales growth of like-for-like showrooms. Revenue of the integrated services increased to EUR 0.9 million (0.7), or 2.0% (2.3) of external revenue. Operating profit increased compared to the corresponding period of the previous year, amounting to EUR 1.4 million (0.5), or 2.1% (1.1) of total revenue. In Sweden, the progress of the pandemic was halted in mid-summer, but the number of infections started to rise rapidly towards the end of the quarter.

Sweden in January–September 2020

Total revenue increased by 34.1% compared to the corresponding period of the previous year, amounting to EUR 153.2 million (114.3). External revenue increased by 25.1%, amounting to EUR 104.6 million (83.6). The number of cars sold during January–September increased by 1,731, or 29.4% compared to the corresponding period of the previous year, amounting to 7,609 cars (5,878). Integrated services revenue increased to EUR

2.5 million (2.0), or 2.4% (2.3) of external revenue during January–September. Operating profit increased compared to the corresponding period of the previous year, amounting to EUR 2.0 million (1.1), or 1.3% (1.0) of total revenue. In Sweden, the corona pandemic reflected in consumer behavior and thus, in growth and profitability, especially in the second quarter. In September, the number of infections started to grow again.

Germany in July–September 2020

Total revenue increased by 31.6% compared to the corresponding period of the previous year, amounting to EUR 19.1 million (14.6). External revenue increased by 26.6%, amounting to EUR 17.9 million (14.1). The number of cars sold during the third quarter increased by 327, or 30.7% compared to the third quarter of the previous year, amounting to 1,391 cars (1,064). The growth was driven by new showrooms. Integrated services revenue increased to EUR 0.6 million (0.5), or 3.1% (3.3) of external revenue. Operating income turned positive compared to the corresponding period of the previous year, amounting to EUR 0.1 million (-0.3), or 0.3% (-2.2) of total revenue. Kamux opened a new showroom in Lübeck in September. In Germany, the restrictions related to the corona pandemic were less severe in the third quarter than in the spring, but guidance on safe distances and wearing face masks has been enforced when visiting shops and running errands throughout the period. The second wave of the pandemic resulted in a sharp increase in the number of infections in September.

Germany in January–September 2020

Total revenue increased by 30.1% compared to the corresponding period of the previous year, amounting to EUR 46.9 million (36.0). External revenue increased by 28.6%, amounting to EUR 44.3 million (34.4). The number of cars sold during January–September increased by 693, or 26.2% compared to the corresponding period of the previous year, amounting to 3,336 cars (2,643). Integrated services revenue increased to EUR 1.3 million (1.0) during January–September, or 2.9% (2.9) of external revenue. Operating loss increased compared to the corresponding period of the previous year, amounting to EUR -1.1 million (-1.0), or -2.3% (-2.8) of total revenue. In Germany, measures taken to curb the corona pandemic have ranged from the extensive lockdown in the spring to milder restrictions and guidance in the summer. The second wave of the pandemic resulted in a sharp increase in the number of infections in September.

Consolidated balance sheet and financial position

As of September 30, 2020, the consolidated balance sheet total was EUR 208.6 million (172.0), of which total equity amounted to EUR 90.4 million (77.0). Net debt amounted to EUR 45.0 million (39.9). Non-current bank loans amounted to EUR 24.9 million (16.4).

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 and EUR 10.0 million of the revolving credit facility was taken into use as a precautionary measure related to the corona pandemic. 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 68.7 million (60.2) as of September 30, 2020. Value of the inventory was EUR 95.2 million (76.1). We systematically increased our inventory towards the end of the third quarter.

Kamux's cash flow from operating activities for January–September amounted to EUR 7.8 million (21.8). Cash and cash equivalents at the end of the period amounted to EUR 28.5 million (19.1).

Equity ratio at the end of the review period was 43.4% (44.8). Return on capital employed (ROI) was 15.5% (16.9) and return on equity (ROE) was 27.0% (24.9).

Capital expenditure, research and development

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

Kamux's capital expenditure for January–September amounted to EUR 3.3 million (1.8) and they consisted mainly of IT systems, Autosilta business acquisition, and ordinary maintenance in the showrooms. The

company finances these capital expenditures with its existing cash and cash equivalents as well as cash flow from operations.

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

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.

Personnel

In January–September, Kamux's average number of employees amounted to 690 (579) in terms of full-time employees. Recruitment of new personnel is continued to support Kamux's growth.

Average number of employees by segment

	1–9/2020	1–9/2019	1–12/2019
Finland	479	416	425
Sweden	149	118	123
Germany	62	45	47
Total	690	579	595

Kamux's share and shareholders

Kamux's largest shareholders as of September 30, 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 (15.2%), Elo Mutual Pension Insurance Company (9.1%) and Jussi Mäkinen (3.4%).

During January–September, 24,954,483 (6,681,205) Kamux shares were traded on the Nasdaq Helsinki main market. The highest share price during the period was EUR 10.96 (6.20) and the lowest price was EUR 5.14 (4.50). On the last trading day of the review period September 30, 2020, the closing share price was EUR 10.06 (5.36). Kamux's volume weighted average share price during January–September was EUR 8.18 (5.45). Market capitalization, excluding treasury shares, measured at the review period's closing price was EUR 402.2 million (214.5).

At the end of September 2020, Kamux's share capital amounted to EUR 80,000 and the number of shares was 40,017,420. 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 June 2020, a total of 2,445 shares were returned to the company without consideration due to the termination of employment of a person covered by the scheme. At the end of the review period, the company held 34,731 treasury shares, representing 0.09% of all shares.

Management and Corporate Governance

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

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 2020 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. The entire scheme is accounted for as an equity-settled payment with net settlement features. The earnings period for the

scheme is the calendar year 2020, followed by a two-year commitment period. The fair value of the scheme was determined on the grant date. The fair value of the scheme is expensed during the three years until the end of the commitment period. During January–September 2020, the total effect of the share-based schemes on the consolidated income for the reporting period was EUR -0.4 million (-0.2).

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

Resolutions of the Annual General Meeting

Kamux Corporation's Annual General Meeting was held on Tuesday, April 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.

Payment of dividend

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.

Members of the Board of Directors and remuneration

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 Antti Mäkelä and 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.

Auditor

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.

Authorizing the Board of Directors to decide on a share issue

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the issuance of a maximum of 4,000,000 shares in one or more tranches corresponding to approximately 10% of all the shares in the company. The Board of Directors decides on the terms and conditions of the issuance of shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. 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.

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

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the repurchase of a maximum of 2,000,000 company's own shares using the unrestricted equity of the company, representing 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 (4) members. The right to appoint members representing the shareholders belongs to the three (3) 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.

The decisions of the Annual General Meeting and the constitutive meeting of the Board of Directors were published in a stock exchange release on April 21, 2020.

Flagging notices

During year 2020, the company has 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.

Tax reassessment decision

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

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

Short-term risks and uncertainties

According to the company's assessment, there have been material changes in the short-term risks and uncertainties during the review period due to the ongoing corona pandemic.

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

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

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

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

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

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

Changes in car tax legislation or preparation of legislation may have a material adverse effect on the sales of new and used cars and on Kamux. Kamux's tax burden could increase as a result of changes to tax laws or their application or as a result of a tax audit. Public discussion on car power sources and possible changes in power sources as well as political decisions related to power sources may seasonally have an effect on Kamux's business, considering that the consumer demand may fluctuate.

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

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

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

Events after the reporting period

On October 22, 2020 a total of 1,231 shares were returned to Kamux Corporation without consideration in accordance with the terms and conditions of the Corporation's share-based incentive scheme 2019 due to the termination of employment of key person. After the return of the shares, Kamux Corporation holds a total of 35,962 of Kamux's own shares.

Calculation of key figures and alternative performance measures

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

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

Reconciliation of adjusted operating profit

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Operating profit (EBIT)	12.1	8.6	23.8	20.0	25.3
Strategic investigations	0.0	-	0.0	-	0.1
Special items relating to geographical expansion	-	-	-	0.0	0.0
Taxes related to previous financial years	0.2	-	-0.7	-	-
Total adjustment items	0.2	-	-0.6	0.0	0.1
Adjusted operating profit	12.4	8.6	23.2	20.0	25.4

Calculation of key figures

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

Kamux Corporation's Interim Report for January–September 2020

Key accounting policies

This Interim Report has been prepared according to the IAS 34 - Interim Financial Reporting standard. The Interim Report is based on the same accounting policies and calculation methods as used in the financial statements for the year 2019 as well as on the new and amended IFRS standards described in the financial statements for the year 2019. However, the Interim Report does not include all the information and notes that are presented in the Annual Financial Statements. As such, the Interim Report should be read together with the Annual Financial Statements for the year 2019. The same accounting principles are applied in this Interim Report as in the Annual Financial Statements, and also the exceptional situation during year 2020 caused by the corona pandemic has been taken into consideration in the accounting principles applied in preparation of this Interim Report.

The figures presented in the Interim Report are independently rounded.

Preparing the Interim Report requires the management to make accounting estimates and judgments as well as assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, income and expenses. The actual outcomes may differ from these estimates and judgments. In preparation of this Interim Report, the most significant estimates made by the management relating to the group's accounting policies and uncertainties are the same as those applied in the Financial Statements for the year 2019.

The Interim Report is unaudited.

Consolidated statement of comprehensive income

EUR million	7-9/2020	7-9/2019	1-9/2020	1-9/2019	1-12/2019
Revenue	207.4	182.8	525.3	483.1	658.5
Other operating income	0.3	0.2	1.0	0.5	0.8
Materials and services	-178.8	-160.2	-458.5	-424.0	-579.6
Personnel costs	-11.5	-9.5	-29.0	-25.1	-34.3
Other operating expenses	-2.9	-2.7	-7.8	-8.3	-11.7
Depreciation and amortization	-2.4	-2.0	-7.1	-6.2	-8.4
Operating profit	12.1	8.6	23.8	20.0	25.3
Finance income and costs	-0.8	-0.2	-1.2	-1.5	-1.0
Profit before income tax	11.3	8.4	22.6	18.5	24.4
Income tax	-2.1	-1.8	-4.6	-4.1	-5.3
Profit for the period	9.2	6.6	18.0	14.4	19.0
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
Translation differences	-0.0	-0.0	-0.0	-0.1	-0.0
Other comprehensive income for the period, net of tax	-0.0	-0.0	-0.0	-0.1	-0.0
Total comprehensive income for the period	9.2	6.5	18.0	14.4	19.0
Profit for the period attributable to owners of the Company	9.2	6.6	18.0	14.4	19.0
Total comprehensive income for the period attributable to owners of the Company	9.2	6.5	18.0	14.4	19.0
Earnings per share for profit attributable to owners of the Company					
Earnings per share, basic and diluted, EUR	0.23	0.16	0.45	0.36	0.48

Consolidated balance sheet

EUR million	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
ASSETS			
Non-current assets			
Intangible assets	3.9	1.6	2.1
Goodwill*	14.0	13.6	13.6
Property, plant and equipment	2.3	2.1	2.2
Lease assets	45.9	39.4	46.4
Other receivables	0.1	0.1	0.1
Deferred tax assets	0.6	0.5	0.4
Total non-current assets	66.8	57.2	64.8
Current assets			
Inventories**	95.2	76.1	70.2
Trade and other receivables***	18.2	19.6	18.4
Derivative financial instruments	0.1	-	0.2
Current income tax assets	-	-	0.2
Cash and cash equivalents	28.5	19.1	27.6
Total current assets	141.9	114.8	116.6
TOTAL ASSETS	208.6	172.0	181.5
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	24.7	24.7	24.7
Translation differences	-0.1	-0.1	-0.1
Treasury shares	-0.2	-	-
Retained earnings	47.9	37.9	37.9
Profit for the period	18.0	14.4	19.0
Total equity attributable to owners of the Company	90.4	77.0	81.7
Non-current liabilities			
Borrowings	24.9	16.4	16.5
Lease liabilities	38.3	32.0	38.8
Other non-current liabilities	0.1	0.2	0.2
Provisions	0.4	0.4	0.4
Total non-current liabilities	63.8	48.9	55.7
Current liabilities			
Borrowings	2.0	3.0	3.0
Lease liabilities	8.2	7.6	7.9
Derivative financial instruments	-	0.4	-
Trade and other payables	38.1	31.5	29.7
Provisions	3.1	2.7	2.7
Current income tax liabilities	3.2	0.9	0.8
Total current liabilities	54.5	46.1	44.1
Total liabilities	118.2	95.0	99.8
TOTAL EQUITY AND LIABILITIES	208.6	172.0	181.5

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

** Inventory is measured at lower of cost and estimated selling price of the car i.e. net realizable value which is determined based on management's judgment, market information and historical data. If the estimated selling price of the car is lower than the cost, the inventory value for the car will be written down through profit or loss in the item Materials and services. In accordance with management's estimate, the market situation caused by the corona pandemic has not given a reason to recognize material exceptional inventory write-downs in the balance sheet as per September 30, 2020.

*** Trade receivables consist mainly of receivables from finance companies. Receivables originate when there is a temporary time lag between the approved credit decision and a payment made by the finance company. During that time lag Kamux has a temporary credit risk from finance companies. The company mitigates the credit risk by dealing only with highly rated finance company counterparties. The trade receivables as per September 30, 2020 do not include material past due items and there was no need to recognize material impairment losses.

Consolidated statement of changes in equity

EUR million	Share capital	Reserve for invested unrestricted equity	Translation differences	Treasury shares	Retained earnings	Total equity
Equity at Jan 1, 2020	0.1	24.7	-0.1	-	56.9	81.7
Profit for the period					18.0	18.0
Other comprehensive income			-0.0			-0.0
Total comprehensive income			-0.0		18.0	18.0
Transactions with owners:						
Acquisition of treasury shares				-0.5		-0.5
Conveyance of treasury shares				0.3		0.3
Share-based payments					0.1	0.1
Dividends for owners					-9.2	-9.2
Equity at Sep 30, 2020	0.1	24.7	-0.1	-0.2	65.9	90.4
Equity at Jan 1, 2019	0.1	24.7	-0.0	-	44.1	68.9
Profit for the period					14.4	14.4
Other comprehensive income			-0.1			-0.1
Total comprehensive income			-0.1		14.4	14.4
Transactions with owners:						
Share-based payments					0.2	0.2
Dividends to shareholders					-6.4	-6.4
Equity at Sep 30, 2019	0.1	24.7	-0.1	-	52.3	77.0

Consolidated statement of cash flows

EUR million	7–9/ 2020	7–9/ 2019	1–9/ 2020	1–9/ 2019	1–12/ 2019
Cash flows from operating activities					
Profit for the period	9.2	6.6	18.0	14.4	19.0
Adjustments for:					
Depreciation and amortization	2.4	2.0	7.1	6.2	8.4
Finance income and costs	0.8	0.2	1.2	1.5	1.0
Change in provisions	0.5	0.3	0.4	0.5	0.5
Write-down of inventories	-0.2	-0.1	0.1	-0.2	-0.2
Income taxes	2.1	1.8	4.6	4.1	5.3
Other non-cash items	0.2	-0.1	0.3	0.0	0.1
Changes in working capital:					
Change in trade receivables and other receivables	-1.6	-0.5	0.5	-5.9	-4.6
Change in trade payables and other payables	9.6	7.7	4.0	10.8	8.9
Change in inventories	-27.0	3.0	-25.2	-5.5	0.6
Interests paid	-0.3	-0.2	-0.8	-0.5	-0.7
Other financial items, net	-0.0	-0.0	-0.1	-0.1	-0.1
Income taxes paid	-1.5	-1.3	-2.3	-3.5	-5.0
Net cash inflow (outflow) from operating activities	-5.7	19.4	7.8	21.8	33.3
Cash flows from investing activities					
Investments in property, plant and equipment	-0.1	-0.1	-0.6	-0.8	-1.0
Investments in intangible assets	-1.0	-0.4	-2.7	-1.0	-1.8
Net cash inflow (outflow) from investing activities	-1.0	-0.6	-3.3	-1.8	-2.7
Cash flows from financing activities					
Purchase of treasury shares	-	-	-0.5	-	-
Proceeds from bank loans	-	-	10.0	-	-
Repayments of bank loans	-1.0	-1.5	-2.5	-3.0	-3.0
Repayments of lease liabilities	-2.0	-1.8	-5.7	-5.1	-6.9
Dividends paid	-	-	-4.8	-6.4	-6.4
Other cash flows from financing activities	-0.0	0.2	-0.1	0.3	0.1
Net cash inflow (outflow) from financing activities	-3.1	-3.1	-3.5	-14.2	-16.2
Net decrease/increase in cash and cash equivalents	-9.8	15.8	1.0	5.8	14.4
Cash and cash equivalents at the beginning of the period	38.6	3.0	27.6	12.8	12.8
Effects of exchange rate changes on cash and cash equivalents	-0.2	0.4	-0.1	0.5	0.3
Cash and cash equivalents at the end of period	28.5	19.1	28.5	19.1	27.6

Earnings per share

	7–9/ 2020	7–9/ 2019	1–9/ 2020	1–9/ 2019	1–12/ 2019
Profit for the period attributable to Owners of the Company (EUR million)	9.2	6.6	18.0	14.4	19.0
Impact of share-based compensation scheme on number of shares	-66	-	-40	-	-7
Weighted average number of shares outstanding during the period, basic, in thousands of shares	39,917	40,017	39,936	40,009	40,004
Earnings per share, basic (EUR)	0.23	0.16	0.45	0.36	0.48
Impact of share-based compensation scheme on number of shares	-53	-0	-42	9	13
Weighted average number of shares outstanding during the period, fully diluted, in thousands of shares	39,930	40,017	39,944	40,018	40,017
Earnings per share, fully diluted (EUR)	0.23	0.16	0.45	0.36	0.48

Acquired businesses in 2020

<u>Segment</u>	<u>Acquisition</u>	<u>Business</u>	<u>Acquisition date</u>
Finland	Autosilta business from Jagro Oy	Car retail	January 9, 2020

The preliminary assets and liabilities recognized in the 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 and other receivables	0.7
Property, plant and equipment	0.1
Total assets	4.1
Trade and other payables	0.1
Total liabilities	0.1
Net assets (preliminary)	4.1
Acquisition cost	4.5
Goodwill (preliminary)	0.4
Effect on the consolidated cash flow	-4.5

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 preliminary and is dependent on the final fair value measurement. The goodwill is regarded as arising mainly from strengthening of the market position and business location.

The consolidated financial statements at the reporting date 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.

Net working capital

EUR million	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
Inventories	95.2	76.1	70.2
Trade and other receivables	18.2	19.6	18.4
Current income tax receivables	-	-	0.2
Trade and other payables	-38.1	-31.5	-29.7
Provisions	-3.4	-3.0	-3.1
Current income tax liabilities	-3.2	-0.9	-0.8
Net working capital	68.7	60.2	55.3

Net debt

EUR million	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
Non-current interest-bearing liabilities			
Bank loans	24.9	16.4	16.5
Lease liabilities	38.3	32.0	38.8
Total non-current interest-bearing liabilities	63.3	48.4	55.2
Current interest-bearing liabilities			
Bank loans	2.0	3.0	3.0
Bank overdrafts	-	-	-
Lease liabilities	8.2	7.6	7.9
Total current interest-bearing liabilities	10.2	10.6	10.9
Total interest-bearing liabilities	73.5	59.0	66.1
Less cash and cash equivalents	-28.5	-19.1	-27.6
Net debt	45.0	39.9	38.5

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

Derivatives

EUR million	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
Foreign currency derivatives			
Fair value	0.1	-0.4	0.2
Value of underlying instrument	2.3	26.1	18.9

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

EUR million	Lease assets	Lease liabilities
Jan 1, 2020	46.4	46.6
Increases	6.3	6.2
Decreases	-0.4	-0.4
Depreciation	-6.2	-
Exchange rate differences and other changes	-0.2	-0.2
Interest expenses	-	-0.4
Repayments of lease liability	-	-5.4
Sep 30, 2020	45.9	46.6

EUR million	Lease assets	Lease liabilities
Jan 1, 2019	38.3	38.3
Increases	9.2	9.1
Decreases	-2.4	-2.4
Depreciation	-5.3	-
Exchange rate differences and other changes	-0.5	-0.5
Interest expenses	-	-0.3
Repayments of lease liability	-	-4.8
Sep 30, 2019	39.4	39.5

Changes of lease agreements in the statement of comprehensive income

EUR million	7–9/ 2020	7–9/ 2019	1–9/ 2020	1–9/ 2019	1–12/ 2019
Depreciation of lease assets	-2.1	-1.7	-6.2	-5.3	-7.1
Interest cost from lease liabilities	-0.1	-0.1	-0.4	-0.3	-0.4
Costs from short-term leases	-0.0	-0.0	-0.1	-0.2	-0.3
Costs from service components included in lease agreements	-0.1	-0.1	-0.2	-0.2	-0.3
Total expense in the statement of comprehensive income	-2.3	-1.9	-6.9	-6.0	-8.1

Loans against which guarantees and mortgages have been given

EUR million	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
Loans	26.9	19.4	19.5
guarantees given against loans	104.0	104.0	104.0

Other commitments

EUR million	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
Rent and other payment guarantees	0.5	0.5	0.5

Related party transactions

EUR million	7–9/2020	7–9/2019	1–9/2020	1–9/2019	1–12/2019
Sales of used cars	0.0	0.0	0.1	0.0	0.1
Purchases of used cars	-0.0	-0.1	-0.2	-0.1	-0.2
Consulting expenses	-	-0.0	-0.0	-0.1	-0.1

EUR million	Sep 30, 2020	Sep 30, 2019	Dec 31, 2019
Lease liabilities	3.7	4.1	4.0

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

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

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

In April 2020, the company issued a total of 17,396 shares held by the company to the members of the company's management belonging to related party, for payment of the share-based incentive scheme of 2019. In May the company transferred a total of 11,668 shares held by the company to the members of the Board of Directors as a part of the annual compensation. In June 2020, a total of 2,445 shares were returned to the company without consideration due to termination of employment of a key person belonging to related party.

Publication schedule for financial reporting in 2021

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

February 26, 2021: Kamux Corporation will publish its Financial Statements Bulletin 2020.

May 12, 2021: Kamux Corporation will publish its Interim Report for January–March 2021.

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

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

The Annual Report for 2020 including Financial Statements will be published on week 11/2021.

The Annual General Meeting of Kamux Corporation is scheduled to be held on Tuesday, April 20, 2021.

Interim Report Press Conference and Webcast

Kamux will hold an Interim Report webcast and press conference for media and analysts today, November 13, 2020 at hotel Kämp, Symposion meeting room, address Pohjoisesplanadi 29, Helsinki, at 11:00 (EET) in Finnish and then in English at around 11:45 (EET). You can follow the press conference as a live webcast in Finnish through a link at <https://kamux.videosync.fi/2020-q3-tulokset> and in English at <https://kamux.videosync.fi/2020-q3-results>. The Interim Report will be presented by CEO Juha Kalliokoski and CFO Marko Lehtonen.

In Hämeenlinna on November 13, 2020

Kamux Corporation

The Board of Directors

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