

FINANCIAL STATEMENTS

Kamux is a retail chain specialising in used car sales

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The Financial Statements are published in Finnish and English.
In case of doubt, the Finnish version is authoritative

REPORT BY THE BOARD OF DIRECTORS AND CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

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 2017 and 2016 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, Net Debt and Contingencies 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.

REPORT BY THE BOARD OF DIRECTORS 2017

KAMUX'S OPERATING ENVIRONMENT

Kamux is a retail chain specialising in used car sales. Kamux had 41 car showrooms in Finland, 10 in Sweden and 2 in Germany as of December 31, 2017.

The development and growth of the used car market is most affected by general economic conditions, the development of the population and urbanization. Consumer behavior and consumers' willingness to own a car have changed noticeably in recent years. However, the impacts of the sharing economy and new forms of mobility on the used car market are expected to be small. Political debate on possible emission limitations and bans, car or fuel taxes and increased safety requirements is ongoing in Europe. These factors, if realized, can have an impact on the development of the used car market.

In 2017 the market situation in Kamux's operating countries varied. In Finland the year was a challenging one for car sales. In the beginning of the year, the car taxation issue, which was part of the road transport report published by the Ministry of Transport and Communications, and the public fuel debate caused temporary uncertainty among consumers. This led to increasing inventories of used cars, impacting pricing and the competitive situation in the marketplace. On the other hand, economic recovery has increased consumer confidence, especially in the latter half of the year, and the overall used car market grew slightly in Finland in 2017.

The market for used cars in Sweden decreased slightly in 2017. In Sweden, the structure of the market differs from Finland in that the consumer to consumer share of the total used car market is higher. There is no comparable nationwide retail chain specializing in the sale of used cars. Kamux's market share in Sweden is only about half a percent, and the company therefore has abundant growth opportunities.

During the year, the German media discussed diesel emissions and restricting the use of older emission class diesel cars in the centers of certain major cities, in which the air quality is a concern. In Germany, the proportion of diesel cars in 2017 was over 30% of all passenger cars, or about 15 million cars. The number of vehicles powered by other

power sources than gasoline or diesel fuel was still below 2% in 2017. The German used car market declined slightly in 2017.

GROUP REVENUE AND PROFIT IN 2017

Revenue increased by 12.4% compared to the previous year and amounted to EUR 454.9 million (404.8). The increase in revenue was driven mainly by the opening of new showrooms. The growth was fully organic. The number of cars sold by Kamux in Finland, Sweden and Germany amounted to 40,957 (36,290). 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 22.8 million (19.3).

The adjusted operating profit increased by 3.4% and amounted to EUR 18.6 million (18.0), or 4.1% (4.4) of revenue. The adjustment items to the operating profit totaled EUR 2.4 million (2.3) for 2017. The adjustment items include EUR 1.2 million of expenses related to Kamux's listing, EUR 0.7 million related to strategic planning and implementation of the strategy, and EUR 0.4 million related to geographical expansion. In the comparison period, the adjustments also included a cash-settled share-based payment of EUR 0.3 million related to redemption of treasury shares.

Kamux's operating profit increased by 3.6% as compared to the previous year, amounting to EUR 16.2 million (15.7).

Net financial items were EUR -0.8 million (-1.0).

The result before taxes amounted to EUR 15.5 million (14.6). Taxes amounted to EUR 3.8 million (3.6). The effective tax rate for the financial year is 24% (25%). Profit for the period amounted to EUR 11.7 million (11.0).

The basic earnings per share amounted to EUR 0.30 (0.29).

SEGMENTS

Finland 2017

Revenue increased by 8.5% compared to the previous year, amounting to EUR 372.4 million (343.2). The number of cars sold during 2017 increased

by 2,973, or 9.5% compared to the previous year, amounting to 34,348 (31,375). The growth was mainly due to the sales of the new showrooms.

Integrated services revenue increased to EUR 20.6 million (17.7) during 2017, or 5.5% of revenue (5.2). Operating profit increased by 4.0% compared to the previous year, amounting to EUR 23.1 million (22.2), or 6.2% of the revenue (6.5).

During 2017, Kamux opened 5 new showrooms in Finland: Turku in February, Espoo Koskelo and Iisalmi in May, Espoo Olarinluoma in August and Kaarina in November. We achieved a significant milestone in November by establishing a Kamux Green shop-in-shop in Helsinki's Konala showroom. The shop-in-shop has strong expertise in the sales of hybrid, electric, natural gas and ethanol cars. In addition, Kamux expanded its operations in Lahti utility vehicle showroom in July, in Vantaa Airport showroom in August and in Kuopio in October with the opening of a new utility vehicle point to complement the Kuopio showroom.

Sweden 2017

Revenue increased by 20.2% compared to the previous year, amounting to EUR 73.2 million (60.9). The number of cars sold during 2017 increased by 686 or 16.7%, and amounted to 4,784 (4,098). The growth was mainly due to the opening of a new showroom in July 2016 and the actions taken to further develop the operations in Sweden.

Integrated services revenue increased to EUR 1.8 million (1.4), or 3.0% (2.8) of the total external revenue. Operating loss decreased compared to the previous year, amounting to EUR -0.1 million (-1.5).

In June 2017, Kamux expanded its showroom in Örebro and in December Kamux opened a new showroom in Karlstad. In July Kamux signed a new lease agreement in Jönköping. The new showroom was taken into use in the beginning of 2018 and allows the car offering to nearly triple in Jönköping.

Robin Toss started as Country Director, Sweden on January 1, 2018. Mr. Toss has previously worked in several positions at McDonald's in Sweden and Finland and has excellent competences in chain management, building a retail network and business development.

Germany 2017

Revenue increased by 110.4% compared to the previous year, amounting to EUR 22.8 million (10.8).

The number of cars sold during 2017 increased by 1,008 or 123.4% compared to the previous year, amounting to 1,825 (817). The growth was mainly due to the new showroom opened in December 2016.

Integrated services revenue increased to EUR 0.5 million (0.1), or 2.2% (1.3) of the total external revenue. Operating loss increased compared to the previous year, amounting to EUR -1.9 million (-0.7). The increase in the operating loss was mainly due to the increase in expenses as the company builds the organization for future growth.

The main event in Germany during 2017 was the official opening in January 2017 of the showroom in Nedderfeld, which started its operations in December 2016. In October, Kamux appointed Oliver Michels as Country Director for Kamux Germany and Managing Director for Kamux Auto GmbH. Michels has previously worked as a Managing Director at GARPA and Orlen Deutschland and as a strategy consultant. Mr. Michels has experience in retail chain expansion, defining customer journeys, building up operations, and acquiring new customer segments. Mr. Michels started his duties in January 2018.

CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

The group's consolidated balance sheet total amounted to EUR 103.0 million as of December 31, 2017 (78.4), of which total equity amounted to EUR 58.9 million (28.9). The amount of net debt was EUR 7.3 million (30.9). Non-current bank loans amounted to EUR 22.4 million (25.4). The balance sheet of the company is strong, allowing business growth in line with our strategy.

In 2017, the company issued a total of 117,622 new shares in share issues directed to the company's new key employee and the new members of the Board of Directors, resulting in gross proceeds of EUR 0.7 million to the company.

In May 2017, Kamux was listed on the Nasdaq Helsinki main market. Kamux issued 2,852,853 new shares in the initial public offering. Gross proceeds from the issue amounted to EUR 20.5 million. A total of EUR 0.8 million, net of taxes of related expenses was deducted from the gross proceeds.

Kamux has entered into a five-year loan facility agreement of EUR 50 million with Nordea Bank AB (publ), Finnish Branch. The facility agreement was amended in April 2017 and now includes a five-year term loan of EUR 30 million and a revolving credit facility of EUR 20 million. Of the revolving credit facility,

EUR 10.0 million is available as a multi-currency facility, which Kamux entered into in December 2016. The term loan of EUR 30 million is currently repaid in bi-annual installments of EUR 1.5 million. In addition to the revolving facility, Kamux has a lease guarantee facility of EUR 0.4 million.

Net working capital amounted to EUR 49.5 million as of December 31, 2017 (43.3). Value of inventory amounted to EUR 55.2 million (47.9).

Kamux's cash flow from operating activities during year 2017 amounted to EUR 6.5 million (-1.1). Cash and cash equivalents at the end of the period amounted to EUR 18.1 million (0.7).

Equity ratio at the end of the period was 57.2% (36.9). Return on capital employed was 17.2% (22.5) and return on equity was 26.6% (43.8).

CAPITAL EXPENDITURE, RESEARCH AND DEVELOPMENT

Kamux's capital expenditure for 2017 amounted to EUR 1.2 million (2.1), consisting mainly of IT systems and ordinary maintenance in the showrooms. Kamux's research and development costs are mainly related to further development of the company's retail concept and improving its business processes.

During 2017, Kamux invested in matters related to the opening of new showrooms, such as refurbishments, equipment and fixtures, as well as in digitalization projects, such as CRM/ERP systems, analytics, data management and financial administration systems. The company financed these investments with the existing cash and cash equivalents, and cash flow from operations.

BOARD OF DIRECTORS

Kamux's Board of Directors consisted of the following members at the beginning of 2017: Matti Virtanen, Inka Mero, David Nuutinen, Jokke Paananen and Vesa Uotila.

New members were elected and joined the Board during 2017: Reija Laaksonen on March 10, and Harri Sivula on May 12.

Inka Mero's Board membership ended on April 12, 2017 at the Annual General Meeting.

MANAGEMENT TEAM

Kamux Management Team consisted of the following members in the beginning of 2017: CEO Juha Kalliokoski, CFO Tapio Arimo, Communications and Marketing Director Satu Heikkilä, HR Director Tommi Iiskonmäki, Purchasing Director Jyri Kalliola, Business

Development Manager Ismo Kiviniemi and Finland Country Director Jussi Mäkinen.

On February 1, 2017 Jyri Kalliola started as Operations Director, Kamux Germany and left the Kamux Management Team. Ismo Kiviniemi left the Kamux Management Team on February 28, 2017. New members who joined the Kamux Management Team in 2017 were Tero Törmänen, who started as Purchasing Director on February 1, 2017, and Olli Kilpi, who started as Director of International Business on May 2, 2017.

PERSONNEL

Kamux's number of employees on December 31, 2017 was 597 (552), including all active full-time and part-time employees. The number of personnel in the Group converted to full-time equivalent (FTE) employees was 418 (343). The Group's total number of personnel grew by 75 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.

	2017	2016
Employees December 31	597	552
FTE employees on average	418	343
Wages and salaries (EUR million)	17.6	16.0

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

	2017	2016
Finland	334	280
Sweden	59	47
Germany	26	16

During 2017, induction and additional training was given especially for employees in the customer interface in all countries.

CORPORATE RESPONSIBILITY

In autumn 2017, Kamux defined the material corporate responsibility themes of its operations. The materiality definition was based on information gathered from Kamux's management, personnel and stakeholder groups in a Management Team workshop and stakeholder interviews. The criteria used for the themes were the economic impacts of operations, including risks and possibilities, environmental impact, and the impacts on people. Kamux's material responsibility themes are Code

of Conduct, fair and rewarding employer, excellent customer experience, profitable growth and reasonable use of resources.

Code of Conduct

Our operations are guided by Kamux's ethical guidelines, the Code of Conduct, in all situations. Defined in 2017, the Code of Conduct instructs all Kamux employees in their daily work and operations. The Code of Conduct is available in Finnish, English, Swedish, and German. The Code of Conduct applies to Kamux's cooperation with our suppliers as well. We require that our suppliers comply with good business practices. This principle, among others, has been incorporated into our procurement guidelines drafted in 2017. Each Kamux employee has the possibility to report suspected infringements of rules, regulations, and the Code of Conduct through a whistleblowing channel. No reports were made through the whistleblowing channel in 2017.

Fair and rewarding employer

Kamux's enthusiastic, committed and skilled personnel form the foundation of our operations. Freedom, as well as responsibility, are important values at Kamux. Committed and motivated personnel is the key to success in the competitive car retail industry. Kamux is a fair workplace, which makes systematic investments in the well-being, training, and safety of its personnel. We want to offer our employees the possibility to do their best, grow and further develop their careers. Employee commitment is supported by offering career development possibilities, training, and motivating compensation.

Excellent customer experience

Kamux wants to meet customer expectations through open and honest communication based on accurate information. Kamux actively monitors customer satisfaction and customer promise vs. customer experiences. Kamux also finds it important that possible claims are handled appropriately, openly, with a schedule that is reasonable for all parties, and in accordance with Kamux's internal rules.

Profitable growth

Kamux is committed to profitable growth. Acting responsibly in all business areas is one of the enablers of growth and profitability and supports the

company in reaching its financial targets.

Reasonable use of resources

Kamux aims to actively decrease the environmental impact of its operations. Kamux's environmental impact consists mainly of transfers of cars and people between our car showrooms, the consequent car fuel consumption, as well as car service and repair. Kamux strives to maintain energy consumption at a reasonable level while considering safety aspects in our showrooms. We also aim to minimize the amount of waste resulting from our operations. Kamux's ability to affect the climate impact of the cars it sells is very limited and measuring it is challenging. The majority of climate impacts of the cars sold by Kamux are created during their manufacturing and use. The average CO₂ emissions of the cars sold by Kamux was 166 g/km in 2017, and 173 g/km in 2016. Purchases are made in accordance with Kamux's procurement guidelines. The criteria for purchases is affordability, service, speed, quality, and reliability.

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.

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.

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 AUTHORIZATIONS

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

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

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

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

On December 13, 2017, the Board of Directors approved a share-based incentive scheme for the Group's key personnel for year 2018. Information on the scheme was published with a separate stock exchange release on December 13, 2017.

SHARE ISSUANCES

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

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

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

TREASURY SHARES

At the end of the financial year, Kamux had 1,319,862 treasury shares (1,319,862) corresponding to 3% (3%) of all shares.

PROPOSAL OF THE BOARD OF DIRECTORS FOR DISTRIBUTION OF PROFIT

On December 31, 2017 Kamux Corporation's distributable earnings were EUR 59,451,130.13 of which profit for the year was EUR 10,870,433.41. The Board of Directors proposes a dividend of EUR 0.12 per share to be distributed and that the other distributable earnings be held in unrestricted equity (for the year 2016 a dividend of EUR 0.06 per share was distributed).

EVENTS AFTER THE FINANCIAL YEAR

Kamux appointed M.Sc. (Pol), Mikko-Heikki Inkeroinen as Chief Digital Officer (CDO) and member of the Management Team. Mr. Inkeroinen is responsible for the company's digital business development, end-to-end customer experience and marketing. Mr. Inkeroinen joined Kamux from Power International AS, where he was Head of Digital Commerce. Mr. Inkeroinen is an expert in consumer and digital businesses and his task is to develop Kamux's digital services and customer experience in line with our strategy. Mr. Inkeroinen started in his position on February 24, 2018.

At the beginning of 2018, Robin Toss started as the Country Director of Sweden and Oliver Michels as the Country Director of Germany.

On January 2, Kamux opened a showroom in newer, larger premises in Jönköping in Sweden. Kamux opened its 42nd store in Finland in Savonlinna in February 2018.

ESTIMATE OF FUTURE DEVELOPMENT

Kamux's medium-term target is to achieve revenues of at least EUR 700 million and an operating profit margin of 4-5% in 2019.

RELATED PARTY LOANS AND LIABILITIES

The company has not issued loans to related parties. Related party transactions are presented in Note 5.3 to the consolidated financial statements.

Hämeenlinna March 8, 2018

Kamux Corporation
Board of Directors

SHARES AND SHARE OWNERSHIP

KAMUX'S INITIAL PUBLIC OFFERING

On May 2, 2017, Kamux applied for listing of its shares on the Nasdaq Helsinki main market and arranged an initial public offering (IPO). Prior to the IPO, the company's shares have not been traded on a regulated marketplace. Kamux's shares were offered to individuals and entities in Finland, Kamux employees and institutional investors in Finland and internationally. The final subscription price of the shares in the IPO was EUR 7.20 per share, and the company received more than 1,200 new shareholders in the IPO. The total number of shares in the company rose to 41,307,156 shares. The purpose of the listing was to support Kamux's growth strategy and internationalization and to increase the visibility of Kamux in Finland and abroad, both among the public and as an employer.

Trading in Kamux's shares commenced on the Nasdaq Helsinki pre-list on May 12, 2017 and on the main market on May 16, 2017. Kamux raised around EUR 20.5 million of gross proceeds in the IPO. The listing consisted of the sale of new shares, and the sale of shares of Intera Partners and certain other shareholders of Kamux.

SHARE

Kamux's share capital at the end of the financial year was EUR 80,000 and the number of shares was 41,307,156. The company has one class of shares and each share has one vote at the compa-

ny's general meeting. The company owns 1,319,862 of its own shares, i.e. 3.2 per cent of the shares. During the financial year, a total of 16,531,609 Kamux shares were traded on the Nasdaq Helsinki marketplace. The highest trading price for the financial year was EUR 9.00 and the lowest EUR 6.40. The closing price of the share on the last trading day on December 29, 2017 was EUR 7.05. The trade volume weighted average price of the Kamux share during the year was EUR 7.34. The market value of the share capital without treasury shares was EUR 281.9 million 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 2017, the number of registered shareholders was 1,462 (including 6 nominee registered shareholders). Kamux's largest shareholders on December 31, 2017 were Intera Fund II Ky (29.38%), Kalliokoski Juha Antero (14.09%) and Elo Mutual Pension Insurance Company (6.95%).

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. In 2017 Kamux received no flagging announcements.

SHARES AND SHARE OWNERSHIP

LARGEST SHAREHOLDERS DECEMBER 31, 2017

	Share ownership	% of shares
1 Intera Fund II Ky	11,748,596	29.38
2 Kalliokoski Juha Antero	5,635,500	14.09
3 Elo Mutual Pension Insurance Company	2,777,778	6.95
4 Etera Mutual Pension Insurance Company	1,388,889	3.47
5 Kalliola Jyri	1,365,000	3.41
6 Mäkinen Jussi Antero	1,365,000	3.41
7 Fondita Nordic Micro Cap Placeringsfond	1,225,000	3.06
8 Investment fund Aktia Capital	1,150,000	2.88
9 OP-Suomi Arvo - investment fund	1,127,876	2.82
10 Ilmarinen Mutual Pension Insurance Company	600,000	1.50
11 OP-Suomi Pienyhtiöt -investment fund	473,005	1.18
12 Pelkonen Henri Tapio	409,500	1.02
13 Salmela Jussi Pekka	409,500	1.02
14 Blueberry Capital Oy	276,038	0.69
15 Ahonen Ari Juhani	273,000	0.68
16 Kemppainen Jorma Petteri	273,000	0.68
17 Mänty Tero Juho	273,000	0.68
18 Pihlaja Ari Kalevi	273,000	0.68
19 Investment fund Aktia Nordic Small Cap	250,000	0.63
20 Fondita Equity Spice -investment fund	197,889	0.49
20 largest shareholders in total	31,491,571	78.75

Excludes nominee registered shares and treasury shares. As of December 31, 2017, Kamux held 1,319,862 treasury shares.

Kamux has received the following notifications of nominee registered owners on December 31, 2017: Investment funds managed by Swedbank

Robur owned a total of 2,784,487 shares, corresponding to 6.96% of the outstanding shares and votes of the company, and family Dan Sten Olsson and trust owned a total of 1,060,000 Kamux shares, corresponding to 2.65% of the outstanding shares and votes of the company.

OWNERSHIP BY SECTOR, DECEMBER 31, 2017

	Owners	% of owners	Shares	% of shares
Foreign owners	5	0.34	4,625	0.01
Households	1,369	93.64	11,826,727	33.91
Government entities	4	0.27	4,767,167	13.67
Financial and insurance institutions	15	1.03	16,422,058	47.08
Non-profit organizations	2	0.14	6,100	0.02
Companies and home associations	67	4.58	1,851,343	5.31
Total	1,462	100.00	34,878,020	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, 2017

Shares	Owners	% of owners	Shares	% of shares
1-100	500	34.20	24,744	0.06
101-500	613	41.93	163,575	0.40
501-1 000	145	9.92	112,780	0.27
1 001-5 000	112	7.66	241,392	0.58
5 001-10 000	29	1.98	218,474	0.53
10 001-50 000	33	2.26	733,023	1.77
50 001-100 000	5	0.34	297,284	0.72
100 001-500 000	12	0.82	3,402,719	8.24
500 001-	13	0.89	36,113,165	87.43
Total	1,462	99.59	41,307,156	100.00

Includes treasury shares held by Kamux.

KEY PERFORMANCE MEASURES

Statement of comprehensive income	2017	2016	2015
Revenue	454.9	404.8	309.9
revenue growth, %	12.4 %	30.6 %	44.2 %
Gross profit	53.8	49.2	38.1
as percentage of revenue, %	11.8 %	12.2 %	12.3 %
Earnings before interest, tax, depreciation and amortization (EBITDA)	17.3	16.5	16.1
as percentage of revenue, %	3.8 %	4.1 %	5.2 %
Operating profit (EBIT)	16.2	15.7	15.5
as percentage of revenue, %	3.6 %	3.9 %	5.0 %
Adjusted operating profit	18.6	18.0	16.0
as percentage of revenue, %	4.1 %	4.4 %	5.2 %
Balance sheet			
Equity	58.9	28.9	21.3
Non-current liabilities	22.8	25.8	18.0
Current liabilities	21.3	23.7	19.4
Balance sheet total	103.0	78.4	58.7
Net debt	7.3	30.9	24.4
Net working capital	49.5	43.3	30.6
Inventories	55.2	47.9	36.2
Other information			
Number of cars sold	40,957	36,290	28,515
Gross profit per sold car	1,314	1,357	1,337
Sales growth of like-for-like showrooms, %	-4.9 %	12.2 %	13.9 %
Inventory turnover, days	46.8	43.1	38.6
Capital expenditures	1.2	2.1	0.9
Average number of employees during the period	418	343	406
Key figures			
Return on equity (ROE), %	26.6 %	43.8 %	67.7 %
Return on capital employed (ROI), %	17.2 %	22.5 %	30.6 %
Equity ratio, %	57.2 %	36.9 %	36.3 %
Gearing, %	12.3 %	107.0 %	114.2 %

Per share data	2017	2016	2015
Earnings per share, basic, €	0.30	0.29	0.30
Cash flows from operating activities per share, €	0.17	-0.03	-0.01
Shareholders' equity per share, €	1.43	0.75	0.57
Dividend per share, €	0.12*	0.06	0.04
Payout ratio, %	39.9 %	20.5 %	13.3 %
Effective dividend yield, %	1.7 %	NA	NA
Price/earnings (P/E) ratio	23.5	NA	NA
Highest share price, €	9.00	NA	NA
Lowest share price, €	6.40	NA	NA
Share price on December 31, €	7.05	NA	NA
Market capitalization of share stock, € million	281.9**	NA	NA
Turnover of shares, total, kpcs	16,532	NA	NA
Relative turnover of shares, total, %	41.3 %	NA	NA
Average no. of shares (1,000 shares), basic**	38,937	37,566	38,253
Average no. of shares (1,000 shares), diluted**	38,941	37,635	38,459
Total no. of shares (1,000 shares) on December 31**	39,987	37,017	37,614

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

**Excluding treasury 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 results of operations, financial position and cash flows, and they are widely utilized by analysts, investors and other parties.

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	For the year ended December 31,	
	2017	2016
Operating profit (EBIT)	16.2	15.7
Costs relating to the listing	1.2	1.2
Strategic investigations	0.7	0.6
Special items relating to geographical expansion	0.4	0.2
Share-based payments	-	0.3
Total adjustment items	2.4	2.3
Adjusted operating profit	18.6	18.0

CALCULATION OF KEY FIGURES

Gross profit	=	Revenue + Other operating income - Materials and services
Earnings before interest, tax, depreciation, and amortization (EBITDA)	=	Operating profit + Depreciation and amortization
Adjusted operating profit (EBIT)	=	Operating profit adjusted for costs relating to the listing, special items relating to strategic planning and strategy implementation, special items relating to geographical expansion of business and cash-settled share-based payments related to redemption of treasury shares.
Net debt	=	Non-current borrowings + Current borrowings - Cash and cash equivalents
Financial debt	=	Non-current borrowings + Current borrowings
Like-for-like showroom revenue growth	=	$\frac{\text{Like-for-like showroom car sales}}{\text{Like-for-like showroom car sales in the previous year}} - 1$)
		<i>New showrooms are included in the calculation when they have been open for 13 months and, therefore, the first time the showroom is included in the measure is its 25th operating month.</i>
Inventory turnover	=	$365 \times \frac{\text{Inventories (average for 12 months)}}{\text{Materials and services (rolling 12 months)}}$
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), %	=	$100 \times \frac{\text{Profit for the period} + \text{Finance costs (rolling 12 months)}}{\text{Equity} + \text{Financial debt (average for 12 months)}}$
Equity ratio, %	=	$100 \times \frac{\text{Equity}}{\text{Balance sheet total} - \text{Advance payments received}}$
Gearing, %	=	$100 \times \frac{\text{Net debt}}{\text{Equity}}$
Earnings per share, basic	=	$\frac{\text{Profit for the period (attributable to owners of the Company)}}{\text{Weighted average number of outstanding shares adjusted for share issue for the period}}$
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
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
Payout ratio, %	=	$100 \times \frac{\text{Dividend/share}}{\text{Share of EPS belonging to parent company owners}}$
Effective dividend yield, %	=	$100 \times \frac{\text{Dividend/share adjusted for share issue}}{\text{Final quotation at close of period adjusted for share issue}}$
Price/earnings (P/E) ratio	=	$\frac{\text{Final quotation at close of period adjusted for share issue}}{\text{Share of EPS belonging to parent company owners}}$
Shareholders' equity per share, EUR	=	$\frac{\text{Equity attributable to equity holders of the parent}}{\text{Basic number of shares at the end of period adjusted for share issue}}$
Market capitalization of share stock, EUR	=	Number of shares x closing price at the end of period

PRIMARY STATEMENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

CONSOLIDATED BALANCE SHEETS

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

CONSOLIDATED STATEMENTS OF CASH FLOWS

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		For the year ended December 31,	
EUR million	Note	2017	2016
Revenue	2.2	454.9	404.8
Other operating income	2.2	0.7	1.1
Materials and services	2.3, 2.4	-401.7	-356.6
Personnel costs	2.4	-21.7	-19.9
Other operating expenses	2.4	-14.8	-12.8
Depreciation and amortization	2.4	-1.1	-0.8
Operating profit		16.2	15.7
Finance costs	4.2	-0.8	-1.0
Profit before income tax		15.5	14.6
Income tax	2.5	-3.8	-3.6
Profit for the period		11.7	11.0
Other comprehensive income			
Items that maybe subsequently reclassified to profit or loss			
Translation differences		-0.0	0.0
Other comprehensive income for the period, net of tax		-0.0	0.0
Total comprehensive income for the period		11.7	11.0
Profit for the period attributable to			
owners of the Company		11.7	11.0
Total comprehensive income for the period attributable to			
owners of the Company		11.7	11.0
Earnings per share for profit attributable to owners of the Company	2.6		
Earnings per share, basic and diluted, EUR		0.30	0.29

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

CONSOLIDATED BALANCE SHEETS

EUR million	Note	At December 31,	
		2017	2016
ASSETS			
Non-current assets			
Intangible assets	5.2	1.1	1.0
Goodwill	5.2	13.6	13.6
Property, plant and equipment	5.2	1.7	1.7
Other receivables		0.1	0.0
Deferred tax assets	5.5	0.3	0.3
Total non-current assets		16.8	16.6
Current assets			
Inventories	3.1	55.2	47.9
Trade and other receivables	3.2	12.9	11.4
Current tax assets		0.0	1.8
Cash and cash equivalents	4.1	18.1	0.7
Total current assets		86.2	61.8
TOTAL ASSETS		103.0	78.4
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	5.4	0.1	0.1
Reserve for invested unrestricted equity		24.6	4.1
Translation differences		0.0	0.1
Retained earnings		22.5	13.7
Profit for the period		11.7	11.0
Total equity attributable to owners of the Company		58.9	28.9
LIABILITIES			
Non-current liabilities			
Borrowings	4.1	22.4	25.4
Derivative financial instruments	4.1	0.1	0.1
Provisions	4.3	0.4	0.4
Total non-current liabilities		22.8	25.8
Current liabilities			
Borrowings	4.1	3.0	6.3
Trade and other payables	3.3	15.6	12.3
Provisions	2.3	2.2	1.7
Current income tax liabilities		0.4	3.4
Total current liabilities		21.3	23.7
Total liabilities		44.1	49.5
TOTAL EQUITY AND LIABILITIES		103.0	78.4

The above consolidated balance sheets 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	Retained earnings	Total equity
Equity at Jan 1, 2017						
		0.1	4.1	0.1	24.7	28.9
Profit for the period					11.7	11.7
Other comprehensive income				-0.0		-0.0
Total comprehensive income				-0.0	11.7	11.7
Transactions with owners:						
Share issue			20.5			20.5
Dividends for owners					-2.2	-2.2
Price difference between the offering for employees and the public offering					0.1	0.1
Equity at Dec 31, 2017		0.1	24.6	0.0	34.2	58.9
Equity at Jan 1, 2016						
		0.1	0.9	0.1	20.3	21.3
Profit for the period					11.0	11.0
Other comprehensive income				0.0		0.0
Total comprehensive income				0.0	11.0	11.0
Transactions with owners:						
Share issue			3.2			3.2
Dividends to shareholders					-1.5	-1.5
Acquisition of treasury shares	5.4				-5.2	-5.2
Equity at Dec 31, 2016		0.1	4.1	0.1	24.7	28.9

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,	
		2017	2016
Cash flows from operating activities			
Profit for the period		11.7	11.0
Adjustments for:			
Depreciation and amortization	2.4	1.1	0.8
Finance costs	4.2	0.8	1.0
Change in provisions	2.3, 4.3	0.6	0.8
Write-down of inventories	3.1	-0.1	0.3
Income taxes	2.5	3.8	3.6
Other non-cash items		0.1	0.1
Changes in working capital:			
Change in trade receivables and other receivables	3.2	-1.6	-5.1
Change in trade payables and other payables	3.3	3.4	2.7
Change in inventories	3.1	-7.3	-12.2
Interests paid		-0.5	-0.7
Other financial items, net		-0.1	-0.2
Income taxes paid		-5.1	-3.2
Net cash inflow (outflow) from operating activities		6.5	-1.1
Cash flows from investing activities			
Investments in property, plant and equipment		-0.6	-1.5
Investments in intangible assets		-0.6	-0.7
Net cash inflow (outflow) from investing activities		-1.2	-2.1
Cash flows from financing activities			
Proceeds from share issues	5.4	20.5	3.2
Purchase of treasury shares	5.4	-	-5.2
Proceeds from bank loans	4.1	-	43.4
Repayments of bank loans	4.1	-6.3	-36.9
Dividends paid		-2.2	-1.5
Net cash inflow (outflow) from financing activities		12.0	3.1
Net decrease/increase in cash and cash equivalents		17.3	-0.1
Cash and cash equivalents at the beginning of the period		0.7	0.8
Effects of exchange rate changes on cash and cash equivalents		0.1	-0.0
Cash and cash equivalents at the end of period		18.1	0.7

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 March 8, 2018.

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, 2017. 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 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, Net Debt and Contingencies 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
Valuation of used cars	3.1
Goodwill	5.2
Management holdings	5.3

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, 2017, Kamux had 41 showrooms in Finland, 10 in Sweden and 2 in Germany. Since its incorporation, Kamux has sold more than 160,000 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.

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. In February 2017 Kamux opened its online store in Finland.

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 2017, 28 percent and in 2016, 27 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 aims to have a selection of approximately 150 to 300 used cars available for sale.

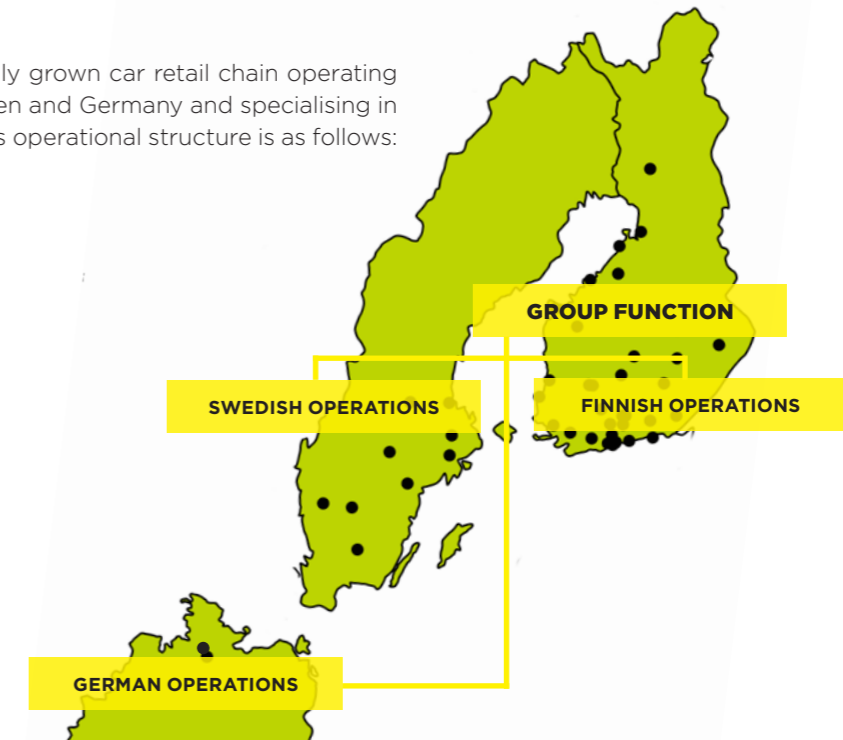
2 KEY PERFORMANCE METRICS OF KAMUX GROUP

RESULTS BY SEGMENT

- REVENUE
- REPAIR COSTS
- EXPENSES
- INCOME TAXES
- EARNINGS PER SHARE

2.1 RESULTS BY SEGMENT

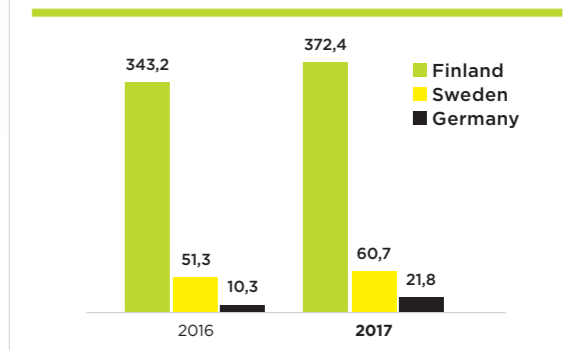
Kamux is a rapidly grown car retail chain operating in Finland, Sweden and Germany and specialising in used car sales. Its operational structure is as follows:



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 earnings before interest, tax, depreciation and amortization (EBITDA). 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 consists of head office and Group functions, including centralized procurement, marketing, finance and Group management.

Kamux had 41 showrooms in Finland on December 31, 2017. In Sweden Kamux opened its first showroom in December 2012 and at the end of December 2017, it operated 10 showrooms, all in different localities. Kamux's growth strategy includes expansion into new countries and, in accordance with the strategy, Kamux started its operations in Germany by opening its first showroom in Elmshorn near Hamburg in December 2015. At the end of 2016 a second store was opened in Nedderfeld, Hamburg.

EXTERNAL REVENUE BY SEGMENT
(EUR MILLION)



ACCOUNTING POLICY

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	Profit for the period + income tax + net finance costs

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
2017							
Revenue	372.4	73.2	22.8	468.4		-13.5	454.9
internal		12.5	1.0	13.5		-13.5	
external	372.4	60.7	21.8	454.9			454.9
Gross profit	46.4	5.9	1.5	53.8			53.8
EBITDA	23.9	0.1	-1.8	22.2	-4.9		17.3
Depreciation and amortization	-0.8	-0.1	-0.1	-1.1	-0.0		-1.1
Operating profit	23.1	-0.1	-1.9	21.1	-4.9		16.2
Finance costs							-0.8
Profit before income tax							15.5

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

Of the Group's non-current assets, except for deferred tax assets, EUR 15.2 million as of December 31, 2017 (EUR 15.0 million as of December 31, 2016) were located in Finland. The corresponding amounts for Sweden were EUR 0.4 million as of December 31, 2017 (EUR 0.4 million as of December 31, 2016) and for Germany EUR 0.9 million as of December 31, 2017 (EUR 0.9 million as of December 31, 2016).

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. 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 17,500 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 EUR million	For the year ended December 31,	
	2017	2016
Sales of used cars	432.0	385.5
Financing fees and Insurance commissions	19.2	15.8
Sales of Kamux Plus	3.6	3.5
Total	454.9	404.8

Revenue from sales of used cars was EUR 432.0 million, or 95 percent of total revenue during the financial year 2017. In 2016 such revenue was EUR 385.5 million, or 95 percent of total revenue.

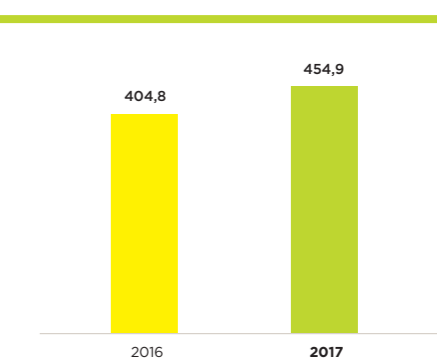
Financing fees and insurance commissions amounted to EUR 19.2 million during 2017, comprising 4 percent of total revenue. In 2016 fees and commissions were EUR 15.8 million or 4 percent of total revenue. Revenue from sales of the Kamux Plus service was EUR 3.6 million for the year ended December 31, 2017, and EUR 3.5 million in 2016.

External revenue generated in Finland was EUR 372.4 million and represented 82 percent of total Group revenue during 2017. In 2016 corresponding revenue was EUR 343.2 million, or 85 percent of total Group revenue. In Sweden external revenue amounted to EUR 60.7 million during 2017, and to EUR 51.3 million during 2016. In Germany external revenue amounted to EUR 21.8 million during 2017 and to EUR 10.3 million during 2016.

Other operating income includes rental income from premises, insurance compensations and car tax refunds.

>>Read more about segment revenue in note 2.1.

REVENUE (EUR MILLION)



ACCOUNTING POLICY

The sales of used cars are recognized as revenue upon delivery of the car 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 when the right of return has expired.

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.

The Kamux Plus service is recognized as revenue on a straight-line basis over the 12 months warranty period.

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

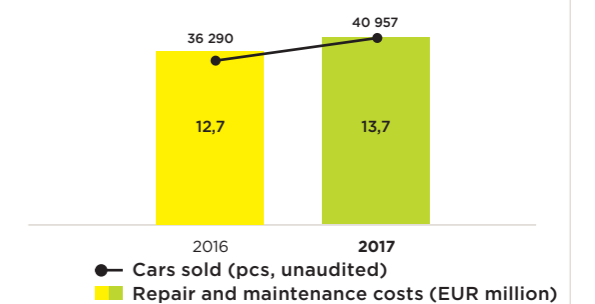
2.3 REPAIR COSTS

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.

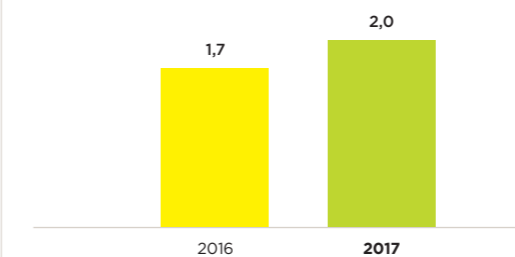
Used cars include the seller's statutory repair liability. In Finland, Sweden and Germany a car dealer has a liability to repair undisclosed defects that become apparent within six months after the purchase of the car (unless Kamux can prove that the defects arose subsequent to the sale). After six months, 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 17,500 driving kilometers, whichever comes first.

CARS SOLD & REPAIR AND MAINTENANCE COSTS



REPAIR LIABILITY PROVISION (EUR MILLION)



Repair liability provision amounted to EUR 2.0 million as at December 31, 2017 and EUR 1.7 million as at December 31, 2016. Repair- and maintenance costs have increased concurrently as the sales volumes have grown. Repair- and maintenance costs amounted to EUR 13.7 million during the financial year 2017, and to EUR 12.7 million during the financial year 2016. 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

ACCOUNTING POLICY

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 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.

2.4 EXPENSES

EUR million	For the year ended December 31,	
	2017	2016
Materials and services		
Purchases during the period	409.1	368.1
Change in inventories	-7.4	-11.9
External services	0.1	0.4
Total	401.7	356.6
Personnel costs		
Wages and salaries	17.6	16.0
Pension costs	2.4	2.3
Other employee benefit expenses	1.6	1.7
Total	21.7	19.9
Other operating expenses		
Rents and lease costs	6.3	4.8
Marketing and advertising expenses	2.6	2.5
Other administrative expenses	5.9	5.5
Total	14.8	12.8
Auditors' fees (included in other administrative expenses above)		
Audit fees	0.1	0.2
Other audit-related services	0.5	0.6
Total	0.6	0.7
Depreciation and amortization by class		
Intangible assets	0.5	0.3
Property, plant and equipment	0.6	0.5
Total	1.1	0.8

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 418 during the financial period 2017 and 343 in 2016. 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.

Other employee benefit expenses include EUR 0.1 million recorded as share-based payment from the price difference between the personnel offering and the public offering on the Nasdaq Helsinki main market in 2017, and EUR 0.3 million of share-based compensation recognized as an expense in connection with the redemption of own shares during 2016.

[>> Read more about the management's wages and remuneration in note 5.3.](#)

RENTS AND LEASE COSTS

Rents and lease costs consist of rental payments for showrooms and office space and related costs such as heating, cleaning and electricity. All Kamux's lease agreements are classified as operating leases with fixed rental periods and rents are expensed evenly over the rental period. Contracts are either cancellable or fixed-term of 1-10 years.

[>> Read more about leasing obligations in note 4.3.](#)

2.5 INCOME TAXES

EUR million	For the year ended December 31,	
	2017	2016
Current tax	3.8	3.7
Tax on previous years	-0.0	-0.0
Change in deferred tax assets and liabilities	-0.0	-0.1
Total	3.8	3.6
Reconciliation of income tax expense		
Profit before income tax expense	15.5	14.6
Tax calculated at the Finnish tax rate*	3.1	2.9
Non-deductible expenses	0.0	0.2
Difference in foreign tax rates	-0.3	-0.1
Tax losses carried forward for which a deferred tax asset has not been recognized	0.9	0.6
Other temporary differences for which a deferred tax asset has not been recognized	-0.0	0.1
Other items	-	-0.0
Income tax expense	3.8	3.6

*Tax rate 20% in 2017 and 2016.

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

ACCOUNTING POLICY

Income taxes for the period 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,	
	2017	2016
Profit for the period attributable to owners of the Company (EUR million)	11.7	11.0
Weighted average number of shares outstanding during the period, basic, in thousands of shares	38,937	37,566
Earnings per share, basic (EUR)	0.30	0.29
Impact of unregistered share issue on number of shares	5	69
Weighted average number of shares outstanding during the period, fully diluted, in thousands of shares	38,941	37,635
Earnings per share, fully diluted (EUR)	0.30	0.29

ACCOUNTING POLICY

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

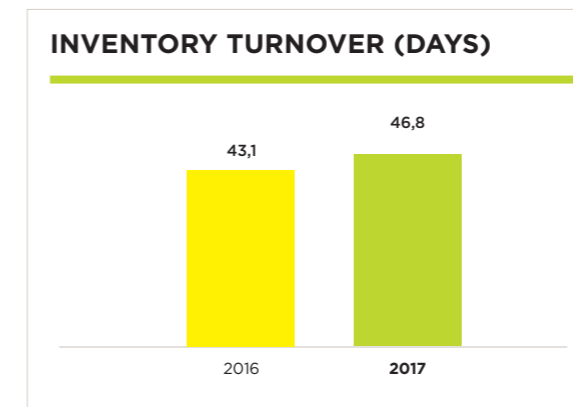
TRADE AND OTHER PAYABLES

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 55.2 million on December 31, 2017. On December 31, 2016 inventories amounted to EUR 47.9 million.

Re-valuation of inventories to net realizable value amounted to EUR -0.1 million during 2017. In 2016 write-downs were EUR 0.3 million. These were recognized as an expense during the financial years and were included in changes in inventory in line item "materials and services".



Inventory turnover is calculated as follows:
Inventory on average during the period (average of the beginning and ending inventory of the year) divided by "Materials and services" expense item during the reporting period, multiplied by 365.

ACCOUNTING POLICY

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 recognized as expenses in profit or loss.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS

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,	
	2017	2016
Trade receivables	9.6	7.8
Prepaid expenses and accrued income	2.3	1.9
Other receivables	1.0	1.8
Total	12.9	11.4
Material items included in prepaid expenses and accrued income		
Insurance and finance commission fees	1.8	1.3
Other	0.6	0.6
Total	2.3	1.9

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.

Impairment losses recognized in profit or loss amounted to EUR 0.2 million during the year 2017. In 2016 impairment losses were EUR 0.4 million.

3.3 TRADE AND OTHER PAYABLES

EUR million	At December 31,	
	2017	2016
Trade payables*	8.5	5.6
Accrued expenses and deferred income	4.8	4.9
Other	2.3	1.7
Total	15.6	12.3
Material items included in accrued expenses and deferred income		
Accrued salaries	2.9	2.8
Accrued interests	0.0	0.0
Other accrued expenses**	1.9	2.1
Total	4.8	4.9

* 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 1.0 million as of December 31, 2017 and EUR 0.9 million as of December 31, 2016. 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, 2017 and 2016.

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

4 NET DEBT AND CONTINGENCIES

CAPITAL MANAGEMENT AND NET DEBT

FINANCE COSTS

LEASE OBLIGATIONS AND COMMITMENTS

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.

>>Read more about equity in note 5.4.

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 borrowings ("current and non-current borrowings" in the consolidated balance sheet) less cash and cash equivalents.

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.

BORROWINGS AND NET DEBT

EUR million	At December 31,	
	2017	2016
Non-current		
Bank loans	22.4	25.4
Total non-current borrowings	22.4	25.4
Current		
Bank loans	3.0	5.0
Bank overdrafts	-	1.3
Total current borrowings	3.0	6.3
Total borrowings	25.4	31.7
Less cash and cash equivalents	-18.1	-0.7
Net debt	7.3	30.9

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.

BORROWINGS AND DERIVATIVES

As of December 31, 2017, borrowings consisted of a EUR 25.4 million five-year term loan, which has semiannual repayments of EUR 1.5 million in March and September. The loans mature on March 31, 2021.

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 interest rate swaps used to hedge interest rate risk, and foreign exchange derivatives to hedge foreign exchange rate risk. These derivatives are not subject to hedge accounting.

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.

Derivatives consist of interest rate swaps and 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 yield curves. On December 31, 2017 Kamux had no open interest rate swaps. Nominal values of open interest rate swaps was EUR 6.5 million on December 31, 2016. The nominal values of open foreign exchange forwards was EUR 7.2 million on December 31, 2017 and EUR 3.1 million on December 31, 2016.

RISKS ASSOCIATED WITH NET DEBT
Liquidity risk

Management of liquidity risk aims at 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, 2017 Kamux had cash and cash equivalents of EUR 18.1 million and as of December 31, 2016, EUR 0.7 million. In addition, Kamux has access to unused credit facilities and bank overdrafts of EUR 20.0 million as of December 31, 2017 and EUR 6.7 million as of December 31, 2016.

Kamux has entered into a five-year loan facility agreement of EUR 50 million with Nordea Bank AB (publ), Finnish Branch. The facility agreement was amended in April 2017 and it includes a five-year term loan of EUR 30 million and a revolving credit facility of EUR 20 million. Of the revolving credit facility, EUR 10.0 million is available as a multi-currency facility that Kamux entered into in December 2016. The term loan of EUR 30 million is currently repaid in bi-annual installments of EUR 1.5 million. In addition to the revolving facility, Kamux has a lease guarantee facility of EUR 0.4 million.

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, 2017 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, 2017							
Loans	1.6	1.7	3.3	3.3	16.6	-	-
Accounts payables	8.5	-	-	-	-	-	-
Derivatives	-0.1	-0.0	-	-	-	-	-
Dec 31, 2016							
Loans	5.0	0.4	0.5	0.5	0.5	27.1	-
Accounts payables	5.6	-	-	-	-	-	-
Derivatives	-0.0	0.1	-	-	-	-	-

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 uses interest rate swaps 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 1.4%-1.5% at the end of 2017 and 1.4%-1.5% at the end of 2016.

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 2017 and EUR 0.1 million smaller in 2016. 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 and interest rate swaps.

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 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.

The remainder of the Group's income and ex-

penses 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 9.6 million as of December 31, 2017 and EUR 10.2 million as of December 31, 2016. Based on the sensitivity analysis, if the weakening or strengthening of the Swedish krona against euro had been 10 percent, the recalculated post-tax profit for the period and equity would have been EUR 0.7 million in 2017 and EUR 0.7 million in 2016 higher or lower.

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 COSTS

EUR million	2017	2016
Interest expenses	0.5	0.7
Fair value changes for derivatives	0.0	-0.1
Foreign exchange gains and losses, net	0.1	0.3
Other finance income and costs	0.1	0.2
Total	0.8	1.0

ACCOUNTING POLICY

Finance costs consist of interest expenses on bank loans and credit limits and realized and unrealized changes on interest rate swaps and foreign exchange derivatives as well as exchange rate differences. 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.

4.3 LEASE OBLIGATIONS AND OTHER COMMITMENTS

OPERATING LEASE COMMITMENTS

THE FUTURE MINIMUM LEASE PAYMENTS UNDER NON-CANCELLABLE OPERATING LEASES ARE AS FOLLOWS:

EUR million	At December 31,	
	2017	2016
No later than 1 year	7.2	5.0
Later than 1 year and no later than 5 years	14.4	11.8
Later than 5 years	0.6	1.0
Total	22.2	17.8

LOANS AGAINST WHICH GUARANTEES AND MORTGAGES HAVE BEEN GIVEN

EUR million	At December 31,	
	2017	2016
Loans	25.4	31.7
guarantees given against loans	104.0	104.0

OTHER COMMITMENTS

EUR million	At December 31,	
	2017	2016
Rent and other payment guarantees	0.4	0.3

Lease obligations consist mainly of rental payments of showrooms. Kamux displays its inventory and conducts the sales through showrooms. Rental contracts are typically either cancellable or 1- to 10-year fixed term contracts and without transfer of ownership or favorable purchase options, all of the leases of showrooms are classified as operating leases. Contracts usually include the option of extending the lease after the original date of termination. As the leasing contracts are considered to be operating leases, lease payments are charged to profit or loss over the lease contract period.

Kamux has given business mortgages amounting to EUR 104.0 million at 31 December 2017 and EUR 104.0 million as of December 31, 2016 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.

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, 2017 as a non-current provision of EUR 0.4 million.

5 OTHER NOTES

GROUP STRUCTURE AND CONSOLIDATION

INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

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. Sub-

siaries 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, 2017 and December 31, 2016 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.

5.2 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

GOODWILL

Goodwill is an intangible asset with indefinite useful life. Goodwill in the balance sheet formed when the parent company, a company established by Intera Fund II Ky, acquired Kamux Oy and its subsidiaries on December 7, 2011. The amount of goodwill was EUR 13.6 million as of December 31, 2017 and 2016. Goodwill is entirely allocated to the operating segment of Finland.

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 9.0% (2016 10.4%). 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 2017 and 2016 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.

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 CRM 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 2016, Kamux invested in Basware's FPM system, which was implemented in the beginning of 2017. 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 judgments - 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 years.

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 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".

PROPERTY, PLANT AND EQUIPMENT

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

5.3 RELATED PARTY TRANSACTIONS

Intera Fund II Ky, which owned 29 % of the Company's outstanding shares on December 31, 2017 and 58 % on December 31, 2016, has significant influence over Kamux.

Related parties of the Group consist of the parent company, Group companies mentioned in note 5.1, and the companies controlled by the sig-

nificant influence holder Intera Fund II Ky. 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.

EUR million	For the year ended December 31,	
	2017	2016
Sales of used cars	0.1	0.2
Purchases of used cars	-0.1	-0.1
Rental expenses	-0.5	-0.6
Consulting expenses	-0.3	-0.1

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.

The Group has leased from the CEO, his close family members and the companies controlled by them four locations with fixed-term lease contracts for 5-10 years. According to these contracts the Group has future lease obligations of EUR 2.6 million in 2017 and EUR 2.9 million in 2016.

Consulting expenses comprise consultancy fees paid to DN Advisory Oy, controlled by David Nuutinen, and to Virtanen Consulting GmbH, controlled by Matti Virtanen. The fees are related to the Group's geographical expansion and stock exchange listing.

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 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.

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. In 2016 the Company redeemed one employee's shares and the difference between the subscription price and the redemption price was treated as a share based compensation expense. The share based expense was EUR 0.3 million in 2016.

Key employees subscribed to the Company's shares in directed share issues for EUR 0.7 million in the financial year 2017 and EUR 3.2 million in 2016. Key employees belonging to management subscribed to the Company's shares for EUR 0.7 million in 2017 and EUR 0.3 million in 2016 in the above-mentioned share issues. In addition to the directed share issues, key employees belonging to management and their close family members subscribed shares for a total of EUR 0.2 million in the public and personnel offerings of the IPO of Kamux on the NASDAQ Helsinki main market in May 2017.

Kamux acquired its own shares from key personnel for EUR 5.4 million in 2016. Of these shares EUR 5.4 million in 2016 was acquired from key employees belonging to management.

Holdings of the Board of Directors, CEO and Management Team of the Company's outstanding shares as of December 31, 2017 are presented in the table below:

	Ownership
Members of the Board of Directors	0.5 %
CEO	14.1 %
Other Management Team	4.5 %

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 and bonus. 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. The bonus percent of total wages may not exceed 50 percent for CEO and 50 percent for other Management Team members.

In December 2017, the Board of Directors of Kamux Corporation decided to approve a share-based incentive scheme for the Group's key personnel for 2018. The amount of any gross reward paid pursuant to the scheme for the earnings period will be determined by the achievement of goals set for the earnings criteria. The earnings criterion applicable for the 2018 earnings period is achieving the EBIT target for 2018 set by the Board of Directors. Any rewards resulting from the scheme will be paid after the end of the earnings period, by the end of May 2019.

EUR thousand	For the year ended December 31,	
	2017	2016
Management Team salaries and other benefits (except CEO)		
Wages, salaries and benefits	768	776
Pension costs -defined contribution plans	191	185
Total	959	960
CEO salaries and benefits		
Wages, salaries and benefits	232	249
Pension costs -defined contribution plans	58	61
Total	290	311

For the year ended
December 31,

EUR thousand	2017	2016
Board of Directors salaries and benefits		
Matti Virtanen (from Jan 29, 2016)*	198	137
Reija Laaksonen (from March 3, 2017)	15	-
David Nuutinen**	107	13
Jokke Paananen	13	-
Harri Sivula (from May 12, 2017)	13	-
Vesa Uotila	13	-
Inka Mero (from Jan 29, 2016 until April 12, 2017)	4	11
Alexej von Bagh (until March 24, 2016)	-	3
Total	365	163
Management and Board of Directors compensation total	1,614	1,434

* Matti Virtanen's benefits include EUR 166 thousand (EUR 117 thousand in 2016) consulting fees of Virtanen Consulting GmbH.

** David Nuutinen's benefits include EUR 90 thousand (EUR 0 thousand in 2016) consulting fees and bonuses of DN Advisory Oy.

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 six months' total salary.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS - MANAGEMENT HOLDINGS

The Group estimates whether the management holdings 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.

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, 2016	37,614	53	37,667	-3.0
Acquisition of own shares	-1,267	1,267	-	-5.2
Share issue	193	-	193	-
Share issue	477	-	477	-
December 31, 2016	37,017	1,320	38,337	-8.2
Share issue	52	-	52	-
Share issue	39	-	39	-
Share issue	26	-	26	-
Share issue in public listing	2,853	-	2,853	-
December 31, 2017	39,987	1,320	41,307	-8.2

* Of the amounts paid from the redeemed shares EUR 0.1 million have been recorded as a deduction of the Reserve for invested unrestricted equity and EUR 8.1 million as deduction of retained earnings.

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 2017, the Board of Directors proposes a dividend of EUR 4.8 million (EUR 0.12 per share). The Company paid a dividend of EUR 2.2 million (EUR 0.06 per share) in spring 2017.

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 of the financial year are entered to the share issue account.

The Company's share capital is EUR 80 thousand.

MOVEMENTS IN THE RESERVE FOR INVESTED UNRESTRICTED EQUITY ARE AS FOLLOWS:

Initial public offering in 2017

In May 2017, the number of the Company's shares increased as a result of an initial public offering. Kamux issued 2,852,853 new shares in the initial public offering and the total amount of shares outstanding increased to 39,987,294 shares. Gross proceeds from the issue were EUR 20.5 million which were recognized as reserve for invested unrestricted equity.

Directed share issues in 2017 and 2016

The Company issued new shares of the Company to certain shareholders in February 2017, April 2017, November 2016 and February 2016. As a result of these share issues, the reserve for invested unrestricted equity of the Company increased by EUR 0.7 million in 2017 and by EUR 3.2 million in 2016.

Purchase of treasury shares in 2016

In November 2016, the Company purchased 1,266,652 of its own shares from certain shareholders of the Company. Retained earnings of the Company decreased by EUR 5.2 million, taking into account the impact of the transfer tax and that EUR 0.3 million was recorded as a share based payment expense for the year 2016 as a result of the purchase.

5.5 DEFERRED TAX

EUR million	January 1,	Recognized through profit or loss	December 31,
2017			
Deferred tax assets			
Provisions and accrued expenses	0.3	0.0	0.3
Derivative instruments	0.0	-0.0	-
Depreciation and amortization	-	0,0	0,0
Total	0.3	0.0	0.3
Deferred tax liabilities			
Loans from financial institutions	0.0	-0.0	0.0
Total	0.0	-0.0	0.0
Total net	0.3	0.0	0.3
2016			
Deferred tax assets			
Provisions and accrued expenses	0.2	0.1	0.3
Derivative instruments	0.0	-	0.0
Total	0.2	0.1	0.3
Deferred tax liabilities			
Loans from financial institutions	0.0	0.0	0.0
Total	0.0	0.0	0.0
Total net	0.2	0.1	0.3

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 4.9 million as of December 31, 2017 and EUR 4.0 million as of December 31, 2016 and in Germany the Group had unused tax losses EUR 3.2 million as of December 31, 2017 and EUR 0.9 million as of December 31, 2016, for which no deferred tax asset has been recognized due to the operating losses of the early phase of operations. These losses will not expire under the current tax regulations.

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.

5.6 EVENTS AFTER THE REPORTING DATE

Kamux appointed M.Sc. (Pol), Mikko-Heikki Inkeroinen as Chief Digital Officer (CDO) and member of the Management Team. Mr. Inkeroinen is responsible for the Company's digital business development, end-to-end customer experience and marketing. Mr. Inkeroinen joined Kamux from Power International AS, where he was Head of Digital Commerce. Mr. Inkeroinen is an expert in consumer and digital businesses, and his task is to develop Kamux's digital services and customer experience

in line with our strategy. Mr. Inkeroinen started in his position on February 24, 2018.

At the beginning of 2018, Robin Toss started as the Country Director of Sweden and Oliver Michels as the Country Director of Germany.

On January 2, Kamux opened a showroom in newer, larger premises in Jönköping in Sweden. Kamux opened its 42nd showroom in Finland in Savonlinna in February 2018.

5.7 NEW AND FORTHCOMING IFRS STANDARDS

Kamux has not yet applied the following new and amended standards and interpretations already issued but not endorsed by the European Union. 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.

IFRS 9 Financial instruments and associated amendments to various other standards

IFRS 9 "Financial Instruments" replaces the multiple classification and measurement models in IAS 39 and it will bring changes to classification and measurement of financial assets their impairment assessment hedge accounting.

A debt instrument is measured at amortized cost only if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows, and the contractual cash flows under the instrument solely represent payments of principal and interest. All other debt and equity instruments, including investments in complex debt instruments and equity investments, must be recognized at fair value.

All fair value movements on financial assets are taken through the statement of profit or loss, except for equity investments that are not held for trading, which may be recorded in the statement of profit or loss or in reserves (without subsequent recycling to profit or loss). In addition debt instruments can be classified at fair value through other comprehensive income according to entity's business model.

According to the analysis prepared by Kamux, the adoption of IFRS 9 does not have a significant impact on the classification of its financial assets due to the fact that the Company does not have investments in securities or bonds at the moment.

Impairment of financial asset will be based on new expected credit loss method. The significant financial assets of Kamux are trade receivables arising from normal business operations. For these trade receivables the group will apply a simplified provision matrix approach that is permitted by the standard. According to this approach, a loss is rec-

ognized by using the provision matrix, except for situations where financial assets are assessed to be impaired due to credit risk. The Group does not expect the adoption of the new credit loss method to have a significant impact due to the historically small amount of credit losses.

The new hedge accounting rules align hedge accounting more closely with common risk management practices.

The Group does not expect the amendments to increase applying hedge accounting in the Group, but as a general rule, it will be easier to apply hedge accounting going forward due to inter alia only prospective effectiveness assessment is required and the risk component can be designated as a hedged item.

The new standard also introduces expanded disclosure requirements and changes in presentation. IFRS 9 is effective from January 1, 2018, which is also the initial application date for Kamux Group.

IFRS 15 Revenue from Contracts with Customers and associated amendments to various other standards

A new standard for the recognition of revenue, IFRS 15 Revenue from Contracts with Customers, will replace IAS 18, which covers contracts for goods and services and IAS 11, which covers construction contracts. The new standard includes a five-step model, by which sales revenue is recognized when control of a good or service is transferred to a customer. Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The Company has prepared an assessment about the effects of the adoption of IFRS 15 standard.

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

In accordance with the Group's assessment, the adoption of the standard will have an effect on the

different streams of net sales as follows:

In the sales of used cars, the customer obtains control over the sold product at the time of delivery of the car and the adoption of the standard does not have a material effect on the timing of obtaining control.

Regarding Kamux Plus -service which extends the seller's statutory liability for defects the adoption of the standard is assessed to have no material effect.

The analysis prepared by the Group shows that, in both under the present and new standard, the Group operates as an agent towards the customer regarding the finance and insurance products from third parties. Kamux shows the income derived from the sales of third-party finance and insurance products as net amount in its net sales at the time it has fulfilled its obligations from providing the services. In accordance with the Group's assessment, the adoption of the new standard does not have material effects on the variable contingencies derived from sales of third party finance services.

The management assesses that the adoption of the new standard will not have a material effect on the consolidated financial statements regarding the timing or amount of net sales to be recognized. However, adoption of the standard may have an effect on the consolidated financial statements through the new disclosure requirements.

The standard is effective for accounting periods beginning on or after January 1, 2018. The Group plans to adopt the IFRS 15 standard on January 1, 2018 by using the method of retrospective application. Adoption of the standard will increase the amount of disclosures.

IFRS 16 Leases and associated amendments to various other standards

IFRS 16 will primarily affect accounting of lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for virtually all lease contracts. An optional exemption exists for short-term and low-value leases.

Currently, future lease payments are presented in the notes as operating lease commitments at their nominal value. The currently reported operat-

ing lease commitments of Kamux totaled EUR 22.2 million (see Note 4.3.) on December 31, 2017.

Kamux's statement of comprehensive income will also be affected, because in the new method the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, lease payment in operating expenses will be replaced with interest and depreciation, so key metrics like EBITDA and operating profit will change.

Operating cash flow will be higher, as cash payments for the principal portion of the lease liability are classified within financing activities. Only that part of the payments which reflects interest can continue to be presented as operating cash flow. Kamux has prepared a preliminary assessment of the total effects of adopting IFRS 16 standard in its consolidated financial statements and will update this assessment during 2018. Taking into consideration that Kamux has leased many showrooms and office premises from third parties for periods longer than one year and by cancellable contracts, the standard will have a significant effect on Kamux's consolidated financial statements. Kamux expects that the amount of leased assets and correspondent lease liabilities will increase significantly. In addition, the related rental costs are classified as depreciation and finance costs.

The standard is effective for accounting periods beginning on or after January 1, 2019. Kamux will adopt the standard on its effective date.

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT (FAS)

EUR million	For the year ended December 31,	
	2017	2016
REVENUE	3.0	2.4
Other operating income	-	0.0
Personnel expenses		
Salaries and fees	-1.1	-0.8
Social security expenses		
Pension expenses	-0.2	-0.2
Other social security expenses	-0.0	-0.0
Total personnel expenses	-1.3	-1.0
Depreciation and amortization		
Depreciation and amortization according to plan	-0.0	-0.0
Other operating expenses	-4.4	-3.0
Total expenses	-5.7	-4.0
OPERATING PROFIT	-2.7	-1.7
Financial income and expenses		
Interest and other financial income		
From Group companies	2.4	1.3
From other	1.0	0.2
Total	3.4	1.5
Interest and other financial expenses		
To Group companies	-	-0.1
To other	-1.6	-1.2
Total	-1.6	-1.3
Total financial income and expenses	1.7	0.2
LOSS BEFORE APPROPRIATIONS AND TAXES	-0.9	-1.4
Appropriations		
Group contributions received	14.5	18.7
Total appropriations	14.5	18.7
Direct taxes	-2.7	-3.5
PROFIT FOR THE FINANCIAL YEAR	10.9	13.8

PARENT COMPANY BALANCE SHEET (FAS)

EUR million	At December 31,	
	2017	2016
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	0.1	0.0
Total	0.1	0.0
Investments		
Investments in subsidiaries	29.2	26.2
Total	29.2	26.2
CURRENT ASSETS		
Non-current receivable		
Non-current receivables from Group companies	33.9	14.2
Total	33.9	14.2
Current receivables		
Receivables from Group companies	33.2	34.0
Other receivables	0.1	0.2
Prepaid expenses and accrued income	0.1	0.0
Total	33.4	34.3
Cash at hand and in banks	17.4	0.0
TOTAL ASSETS	114.1	74.7

EUR million	At December 31,	
	2017	2016
LIABILITIES AND EQUITY		
Equity		
Share capital	0.1	0.1
Invested non-restricted equity reserve	25.2	4.1
Retained earnings	23.3	11.8
Profit for the year	10.9	13.8
Total	59.5	29.7
Liabilities		
Non-current liabilities		
Loans from financial institutions	22.5	25.5
Derivatives	-	0.1
Liabilities to Group companies	4.7	4.8
Current liabilities		
Interest-bearing		
Loans from financial institutions	3.0	6.3
Liabilities to Group companies	23.6	3.3
Non-interest-bearing		
Trade payables	0.2	0.2
Liabilities to Group companies	0.2	1.0
Other current liabilities	0.0	0.0
Accrued expenses and deferred income	0.3	3.7
Total	54.6	45.0
TOTAL LIABILITIES AND EQUITY	114.1	74.7

PARENT COMPANY CASH FLOW STATEMENT (FAS)

EUR million	For the year ended December 31,	
	2017	2016
Profit for the financial year	10.9	13.8
Adjustments:		
Financial income and expenses	-1.7	-0.2
Group contributions received	-14.5	-18.7
Depreciation and amortization	0.0	0.0
Direct taxes	2.7	3.5
Change in net working capital:		
Change in trade and other receivables	0.0	-0.2
Change in trade and other payables	-0.7	0.7
Interests paid and payments on other operating expenses	-0.6	-0.8
Interests received	0.0	0.0
Taxes paid	-6.1	-2.7
Net cash from/in operating activities (A)	-10.0	-4.7
Payments for property, plant and equipment and intangible assets (-)	-0.0	-0.0
Investments in subsidiaries	-3.0	-0.5
Net cash from/in investing activities (B)	-3.1	-0.5
Repayments of bank loans	-6.3	-29.4
Proceeds from bank loans	-	40.6
Net change of intra-group receivables and payables	17.9	-2.4
Dividends paid	-2.2	-1.5
Purchase of treasury shares	-	-5.5
Proceeds from share issues	21.1	3.2
Net cash from/in financing activities (C)	30.5	5.0
Change in cash (A+B+C)	17.4	-0.2
Cash at hand and in bank at the beginning of the financial year	0.0	0.2
Cash at hand and in bank at the end of the financial year	17.4	0.0

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. Receiva-

bles 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		
Revenue	2017	2016
Services to Group companies	3.0	2.4
Total	3.0	2.4
Revenue	2017	2016
Geographical distribution		
Domestic	2.4	2.0
Other Europe	0.6	0.4
Total	3.0	2.4
Personnel expenses and fees	2017	2016
Salaries and fees	1.1	0.8
Pension expenses	0.2	0.2
Other social security expenses	0.0	0.0
Total	1.3	1.0
Number of personnel	8	6
Other operating expenses	2017	2016
Voluntary personnel expenses	0.3	0.1
Travel expenses	0.1	0.1
Marketing expenses	0.4	0.3
Administrative services	3.4	2.4
Other administrative expenses	0.1	0.2
Other operating expenses	0.1	0.0
Total	4.4	3.0
Auditor's remuneration	2017	2016
Audit fee	0.1	0.1
Other services from main auditor	0.5	0.6
Total	0.6	0.7

EUR million		
Appropriations	2017	2016
Group contribution received	14.5	18.7
Total	14.5	18.7
Deferred tax asset	2017	2016
Derivatives measurement at fair value	-	0.0
Total	0.0	0.0
Deferred tax asset has not been recognized into balance sheet.		
Non-current assets	2017	2016
Intangible rights		
opening balance Jan 1	0.0	0.0
additions during the financial year	-	0.0
amortizations during the financial year	0.0	0.0
closing balance Dec 31	0.0	0.0
Investments		
opening balance Jan 1	26.2	20.3
additions during the financial year	3.0	5.9
closing balance Dec 31	29.2	26.2
Non-current receivables from Group companies	2017	2016
Non-current loan receivables from Group companies	33.9	14.2
Total	33.9	14.2
Current receivables from Group companies	2017	2016
Current loan receivables from Group companies	28.2	32.3
Interest receivables	4.0	1.7
Trade receivables	1.0	-
Prepaid expenses and accrued income	-	0.1
Total	33.2	34.0
Prepaid expenses and accrued income	Prepaid expenses and accrued income consist of ordinary accruals relating to financial statements.	

FINANCIAL STATEMENTS

EUR million		
Shares	2017	2016
Group companies		
Kamux Suomi Oy	100 %	100 %
Suomen Autorahaksi Oy (100 %)		
KMX Holding AB	100 %	100 %
Kamux AB (100 %)		
Kamux Auto GmbH	100 %	100 %
Changes in equity during the financial year	2017	2016
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	4.1	0.9
Share issue	21.1	3.2
Invested non-restricted equity reserve on Dec 31	25.2	4.1
Retained earnings on Jan 1	25.6	18.7
Dividend distribution	-2.2	-1.5
Acquisition of treasury shares	-	-5.5
Retained earnings on Dec 31	23.3	11.8
Profit/loss for the financial year	10.9	13.8
Total equity	59.5	29.7
Distributable earnings Dec 31	2017	2016
Retained earnings	23.3	11.8
Profit for the financial year	10.9	13.8
Invested non-restricted equity fund	25.2	4.1
Total	59.5	29.7

EUR million		
Loans from financial institutions	2017	2016
Nordea Pankki Suomi Oyj		
Instalments to be paid within one year	3.0	6.3
Instalments to be paid after one year	22.5	25.5
Total	25.5	31.8
Other liabilities	2017	2016
Current other liabilities	0.0	0.0
Total	0.0	0.0
Non-current loans to Group companies	2017	2016
Non-current loan liabilities to Group companies	4.7	4.8
Total	4.7	4.8
Current loans to Group companies	2017	2016
Current loans to Group companies	23.6	3.3
Accrued expenses and deferred income	0.2	1.0
Total	23.9	4.4
Accrued expenses and deferred income	2017	2016
Personnel expenses	0.2	0.2
Taxes	0.0	3.4
Other	0.1	0.0
Total	0.3	3.7
Derivatives	2017	2016
Interest rate swap, nominal value of underlying instrument	-	6.5
Interest rate swap, fair value	-	-0.1
Total	-	6.4
Measurement at fair value through profit or loss	0.1	0.1

EUR million	At December 31,	
Pledges and guarantees	31.12.2017	31.12.2016
Loans	35.5	31.0
Amount in use	25.5	30.5
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, March 8, 2018

Matti Virtanen
Chairman of the Board

Reija Laaksonen
Member of the Board

David Nuutinen
Member of the Board

Jokke Paananen
Member of the Board

Harri Sivula
Member of the Board

Vesa Uotila
Member of the Board

Juha Kalliokoski
CEO

The Auditor's Note

A report on the audit performed has been issued today.

Helsinki, March 8, 2018

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 Board.

What we have audited

We have audited the financial statements of Kamux Oyj (business identity code 2442327-8) for the year ended 31 December 2017. 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, which represents a combination of adjusted profit before tax and revenue.
- Our audit procedures covered all the significant countries and locations of Kamux group. The focus of our audit procedures has been on the most significant components in Finland and Sweden.
- Valuation of inventory
- Accuracy of the repair liability provision

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. Mis-

statements 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 below. 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	€ 2,6 million
How we determined it	Average of 5% of adjusted profit before taxes and 1% of the total revenues. Both of the benchmarks were equally weighted when determining the overall group materiality.
Rationale for the materiality benchmark applied	The company is in a development phase and its strategy focuses on the increase of revenues. As the benchmark for the determination of the materiality, we chose the combination of revenue and adjusted profit before taxes. Based on our understanding the readers of the financial statements use these parameters when evaluating the performance of the group. As thresholds, we chose to use 1% of the revenues and 5% of the adjusted profit before taxes, which are within generally accepted thresholds according to 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 accounting processes and controls, and the industry in which the group operates.

Our audit procedures covered all the significant countries and locations of Kamux group. The focus of our audit procedures has been on the most significant components in Finland and Sweden where we performed the full scope audit because of the magnitude and risk of the component in question. For the remaining components, we performed alternative procedures to ensure that there is no risk of material misstatement 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 inventory See note 3.1 in the financial statements</p> <p>The inventory is valued to the lower of acquisition cost or net realisable value. The acquisition cost of individual cars included in the inventory, is determined based on the purchase price including directly attributable repair costs for reconditioning the car for selling purposes.</p> <p>For the financial statements, the company evaluates the cars included over 90 days in the inventory. The impairment recorded is the value of cars according to net realisable value.</p> <p>The valuation of inventory is considered a key audit matter because of the magnitude of the inventory and the management judgement included in the valuation.</p>	<p>Our audit procedures included understanding and evaluating the processes and controls for the valuation of inventory.</p> <p>As part of our audit procedures, we evaluated the appropriateness of the accounting policies applied by the company for the inventory valuation.</p> <p>We reviewed the management's detailed estimate for the need of adjustment for inventory valuation for financial statements. We evaluated the accuracy of recorded adjustment compared to company's accounting policy, sales occurred after the year-end and other identified circumstances.</p> <p>We tested the acquisition cost of the cars included in the inventory for year-end 2017 on a sample basis. We compared the inventory value for selected cars to purchase price for the car including directly attributable repair costs for reconditioning the car for selling purposes.</p> <p>We tested the net realisable value of the cars included in the inventory for year-end 2017 on a sample basis. We compared the inventory value for selected cars to sales price in 2018..</p>
<p>Accuracy of the repair liability provision See note 2.3 in the financial statements</p> <p>Estimated repair liability is recognised as repair liability provision when a car is sold. The amount of repair liability provision is based on historical statistics about realised liability costs and the estimated trend of repair liability costs.</p> <p>Accuracy of the provision for repair costs is considered as a key audit matter because of the significant management judgement included in the accounting of the provision.</p>	<p>We evaluated the accuracy of the repair liability provision by comparing the estimate prepared by management to actual historical costs. We reconciled the recorded repair liability provision to calculation prepared by management.</p> <p>In addition, we inquired of the management, if there were any circumstances, which would require changes to estimated trend of repair liability costs.</p> <p>We also audited the payments made in 2018 to gain comfort that there are no significant costs occurred which should have been taken into consideration when calculating the provision.</p>

We have no key audit matters to report with respect to our audit of the parent company financial statements.

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.

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 govern-

ance 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 three 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 8 March 2018

PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)

