

FINANCIAL STATEMENTS BULLETIN

January—December 2017



Kamux Corporation

Financial Statements Bulletin

March 8, 2018 09:00

Kamux Corporation's Financial Statements Bulletin for January–December 2017

KAMUX'S GROWTH ACCELERATED AND PROFITABILITY IMPROVED IN OCTOBER–DECEMBER 2017*The figures in parentheses refer to the comparison period, i.e. the same period in the previous year, unless otherwise mentioned.***Fourth quarter in brief**

- The number of cars sold increased by 18.6 % to 10,294 cars (8,676)
- Revenue increased by 16.9 %, totaling EUR 114.3 million (97.8)
- Gross profit increased by 13.7 % to EUR 13.0 million (11.4), or 11.4 % (11.7) of revenue
- Adjusted operating profit (EBIT) increased by 9.2 % to EUR 3.3 million (3.0), or 2.9 % (3.1) of revenue
- Operating profit (EBIT) increased by 45.9 % to EUR 3.3 million (2.2), or 2.9 % (2.3) of revenue
- Earnings per share were EUR 0.05 (0.03)
- Like-for-like showroom revenue growth was 2.4 % (-3.3 %)

January–December in brief

- The number of cars sold increased by 12.9 % to 40,957 cars (36,290)
- Revenue increased by 12.4 %, totaling EUR 454.9 million (404.8)
- Gross profit increased by 9.3 % to EUR 53.8 million (49.2), or 11.8 % (12.2) of revenue
- Adjusted operating profit (EBIT) increased by 3.4 % to EUR 18.6 million (18.0), or 4.1 % (4.4) of revenue
- Operating profit (EBIT) increased by 3.6 % to EUR 16.2 million (15.7), or 3.6 % (3.9) of revenue
- Earnings per share were EUR 0.30 (0.29)
- The Board of Directors proposes a dividend of EUR 0.12 per share to be distributed for the year 2017 (for the year 2016 a dividend EUR 0.06 per share was distributed)

CEO Juha Kalliokoski:

“Our growth accelerated during the fourth quarter of 2017. I am especially pleased with our like-for-like showroom revenue showing positive growth and continuing to develop in the right direction.

Our internationalization continues according to our plans. Sweden is growing strongly and profitability is increasing. In December we opened our tenth store in Sweden in Karlstad. In Germany we continue to focus on establishing our presence in the Hamburg region.

In line with our strategy, we continued to strengthen our organization. In the beginning of the year Robin Toss started as country director of Sweden, and he will steer our operations there going forward. Country director Oliver Michels has since the beginning of January lead the implementation of Kamux's operational model in Germany. In February Mikko-Heikki Inkeroinen started as our Chief Digital Officer and member of Kamux's management team. Mr. Inkeroinen is responsible for the company's digital business development, end-to-end customer experience, and marketing.

Our absolute profitability continued to improve, but our adjusted operating profit margin weakened slightly in the fourth quarter. This was partly due to significantly increased marketing efforts, as typically the last quarter of the year is the weakest in the industry in terms of sales.

In Finland, we took a significant new step in November by establishing a Kamux Green shop-in-shop in Helsinki's Konala store. The shop-in-shop has strong expertise in the sales of hybrid, electric, natural gas and ethanol cars.

The market for used cars was challenging in 2017 because of car tax and diesel debates in the beginning of the year. Regardless of this, Kamux further strengthened its position in all its operating countries. Due to its customer centric business model, Kamux can quickly react to different market situations. I am very confident in our development in Finland, Sweden and Germany in the coming year.

The significant size of the used car market combined with our concept, organization, strong balance sheet and cash flow provide us with an excellent opportunity for continued strong growth and implementation of our strategy in 2018."

Outlook and financial targets

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

Key figures

EUR million	10–12/ 2017	10–12/ 2016	Change, %	1–12/ 2017	1–12/ 2016	Change, %
Revenue	114.3	97.8	16.9 %	454.9	404.8	12.4 %
Gross profit	13.0	11.4	13.7 %	53.8	49.2	9.3 %
as percentage of revenue, %	11.4 %	11.7 %		11.8 %	12.2 %	
Operating profit (EBIT)	3.3	2.2	45.9 %	16.2	15.7	3.6 %
as percentage of revenue, %	2.9 %	2.3 %		3.6 %	3.9 %	
Adjusted operating profit*	3.3	3.0	9.2 %	18.6	18.0	3.4 %
as percentage of revenue, %	2.9 %	3.1 %		4.1 %	4.4 %	
Revenue from integrated services	6.1	5.2	16.6 %	22.8	19.3	18.6 %
as percentage of revenue, %	5.3 %	5.3 %		5.0 %	4.8 %	
Number of cars sold	10,294	8,676	18.6 %	40,957	36,290	12.9 %
Gross profit per sold car, EUR	1,263	1,318	-4.1 %	1,314	1,357	-3.1 %
Sales growth of like-for-like showrooms, %	2.4 %	-3.3 %		-4.9 %	12.2 %	
Net debt				7.3	30.9	-76.5 %
Inventories				55.2	47.9	15.1 %
Inventory turnover, days				46.8	43.1	8.8 %
Capital expenditures	0.4	1.3	-67.0 %	1.2	2.1	-42.5 %
Average number of employees during the period				418	343	21.9 %
Return on equity (ROE), %				26.6 %	43.8 %	
Return on capital employed (ROI), %				17.2 %	22.5 %	
Equity ratio, %				57.2 %	36.9 %	
Earnings per share, basic, EUR	0.05	0.03	55.0 %	0.30	0.29	2.5 %

* Operating profit adjusted for the costs related to the initial public offering, special items related to strategy planning, strategy implementation geographical expansion and a cash settled share-based payment in the comparison period, totaling EUR 0.0 million for the fourth quarter of 2017 (10–12/2016: EUR 0.8 million) and totaling EUR 2.4 million for 1–12/2017 (1–12/2016: EUR 2.3 million).

Market review

Kamux estimates that it maintained its market leadership in sales of used cars in Finland in the fourth quarter of 2017. Finland's market situation improved towards the end of the year as expected, but the last quarter of the year is typically the most modest in the industry due to seasonality. The increased inventory levels of market participants offered good buying opportunities at the end of 2017.

In Sweden, the company estimates its market share increased during the fourth quarter, and significantly strengthened further the company's position among the ten largest used car dealers. According to our estimates, the market for used cars in Sweden fell slightly, but the minor change is not relevant from company's perspective.

According to our estimates, Kamux's market share of the used car market in Germany grew in the fourth quarter. It is, however, still very small. The estimated used car market declined slightly in Germany in 2017, but the slight change is not relevant from the company's perspective.

The discussions in the media about diesel cars did not have a noticeable impact on diesel car prices or demand during the fourth quarter.

Revenue in October–December 2017

Revenue increased by 16.9% compared to the corresponding period of the previous year and amounted to EUR 114.3 million (97.8). The increase in revenue was driven mainly by the opening of new showrooms. Record revenue was achieved in Kamux's integrated services, amounting to EUR 6.1 million (5.2). The share of integrated services of the total revenue remained at the previous year's level at 5.3% (5.3).

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 18.6% compared to the corresponding period of the previous year and amounted to 10,294 (8,676). The number of cars sold increased mainly due to the opening of new showrooms. The revenue per sold car amounted to EUR 11,103 (11,273).

Revenue in January–December 2017

Revenue increased by 12.4% compared to the corresponding period of the previous year and amounted to EUR 454.9 million (404.8). The increase in revenue was driven mainly by opening of new showrooms. The growth was fully organic. Kamux's integrated services revenue increased to EUR 22.8 million (19.3), or 5.0% of the total revenue (4.8).

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 12.9% compared to the corresponding period of the previous year and amounted to 40,957 (36,290). The number of cars sold increased due to the opening of new showrooms. The revenue per sold car amounted to EUR 11,106 (11,153).

Revenue allocation

EUR million	10–12/2017	10–12/2016	1–12/2017	1–12/2016
Sales of used cars	108.2	92.6	432.0	385.5
Financing fees and Insurance commissions	5.2	4.3	19.2	15.8
Sales of Kamux Plus	0.9	0.9	3.6	3.5
Total	114.3	97.8	454.9	404.8

Result of operations in October–December 2017

Gross profit increased by 13.7% compared to the corresponding period of the previous year and amounted to EUR 13.0 million (11.4). Gross profit as percentage of revenue decreased by 0.3 percentage points to 11.4% (11.7). Gross profit increased in Sweden and Germany, but declined by 1.0% in Finland.

The adjusted operating profit increased by 9.2% and amounted to EUR 3.3 million (3.0), or 2.9% (3.1) of the revenue. The adjusted operating profit has been adjusted for costs related to Kamux's listing, as well as special items related to strategic planning, implementation of the strategy and geographical expansion. In the comparison period the adjustment included a cash-settled share-based payment of EUR 0.3 million related to redemption of treasury shares. The adjustment items to the operating profit totaled EUR 0.0 million (0.8) for the fourth quarter.

Kamux's operating profit increased by 45.9% as compared to the previous year, amounting to EUR 3.3 million (2.2).

The result before taxes for the fourth quarter amounted to EUR 3.0 million (1.8). The earnings per share amounted to EUR 0.05 (0.03).

Result of operations in January–December 2017

Gross profit increased by 9.3 % from the previous year and amounted to EUR 53.8 million (49.2). Gross profit as a percentage of revenue decreased by 0.3 percentage points to 11.8 % (12.2).

The adjusted operating profit increased by 3.4 % and amounted to EUR 18.6 million (18.0), or 4.1 % (4.4) of the revenue. The adjustment items to the operating profit totaled EUR 2.4 million (2.3) for January–December. The adjustment items include EUR 1.2 million of expenses related to the 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 adjustment items 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 % compared to the previous year, amounting to EUR 16.2 million (15.7).

The result before taxes for January–December amounted to EUR 15.5 million (14.6). The earnings per share amounted to EUR 0.30 (0.29).

Key figures of the business segments

EUR million	10–12/ 2017	10–12/ 2016	Change, %	1–12/ 2017	1–12/ 2016	Change, %
Revenue						
Finland	92.3	84.2	9.6 %	372.4	343.2	8.5 %
Sweden	19.9	13.3	49.5 %	73.2	60.9	20.2 %
Germany	5.8	3.1	85.9 %	22.8	10.8	110.4 %
Segments total	118.0	100.6	17.3 %	468.4	414.9	12.9 %
Group functions and eliminations	-3.7	-2.8	-31.2 %	-13.5	-10.1	-33.3 %
Total	114.3	97.8	16.9 %	454.9	404.8	12.4 %
Gross profit						
Finland	10.9	11.0	-1.0 %	46.4	44.1	5.2 %
Sweden	1.8	0.3	595.5 %	5.9	4.3	39.3 %
Germany	0.4	0.2	94.3 %	1.5	0.8	76.9 %
Segments total	13.0	11.4	13.7 %	53.8	49.2	9.3 %
Group functions and eliminations	-	-	-	-	-	-
Total	13.0	11.4	13.7 %	53.8	49.2	9.3 %
Gross profit, as percentage of revenue, %						
Finland	11.8 %	13.1 %		12.5 %	12.9 %	
Sweden	8.8 %	1.9 %		8.1 %	7.0 %	
Germany	6.4 %	6.2 %		6.5 %	7.7 %	
Segments total	11.0 %	11.4 %		11.5 %	11.9 %	
Group functions and eliminations	-	-		-	-	
Total	11.4 %	11.7 %		11.8 %	12.2 %	
Operating profit						
Finland	4.7	4.3	9.8 %	23.1	22.2	4.0 %
Sweden	-0.0	-0.8	98.2 %	-0.1	-1.5	96.5 %
Germany	-0.7	-0.4	-74.9 %	-1.9	-0.7	-156.2 %
Segments total	4.0	3.1	30.3 %	21.1	20.0	5.8 %
Group functions and eliminations	-0.7	-0.8	12.0 %	-4.9	-4.3	-13.8 %
Total	3.3	2.2	45.8 %	16.2	15.7	3.6 %
Operating profit, as percentage of revenue, %						
Finland	5.1 %	5.1 %		6.2 %	6.5 %	
Sweden	-0.1 %	-6.2 %		-0.1 %	-2.4 %	
Germany	-12.0 %	-12.8 %		-8.2 %	-6.7 %	
Segments total	3.4 %	3.0 %		4.5 %	4.8 %	
Group functions and eliminations	-	-		-	-	
Total	2.9 %	2.3 %		3.6 %	3.9 %	

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

%	10-12/2017	10-12/2016	1-12/2017	1-12/2016
Financing services				
Finland	48	47	46	47
Sweden	47	47	48	45
Germany	22	27	24	28
Insurance services				
Finland	53	52	50	52
Sweden	93	80	91	60
Kamux Plus				
Finland	17	19	17	20
Sweden	29	20	27	25

Finland in October–December 2017

Revenue increased by 9.6 % compared to the previous year, amounting to EUR 92.3 million (84.2). The number of cars sold increased by 951 or 12.6 % compared to the fourth quarter of the previous year and amounting 8,522 (7,571). The growth was based on the sales of new showrooms. During the fourth quarter, Kamux opened a new showroom in Kaarina and expanded in Kuopio by opening a commercial vehicle showroom in Kuopio. In November, Kamux opened a Kamux Green shop-in-shop in Helsinki's Konala store, which includes hybrid, electric, gas and ethanol cars. The Kamux Green concept is designed to help consumers easily explore alternative energy-powered cars in both the store and online channels.

Revenue from integrated services increased to EUR 5.4 million (4.8), or 5.8 % (5.7) of total revenue. Operating profit increased by 9.8 % compared to the previous year, amounting to EUR 4.7 million (4.3), or 5.1 % (5.1) of total revenue. The growth was mainly based on the sales of new showrooms.

Finland in January–December 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 corresponding period of the previous year and amounted to 34,348 (31,375). The growth was mainly based on the sales of new showrooms.

Revenue from integrated services increased to EUR 20.6 million (17.7) during January–December, or 5.5 % of total 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. In addition, Kamux expanded its Lahti utility vehicle showroom in July, Vantaa Airport showroom in August and Kuopio showroom in October. Kamux Green shop-in-shop in Helsinki Konala showroom was opened in October.

Sweden in October–December 2017

Revenue increased by 49.5 % compared to the corresponding period of the previous year, amounting to EUR 19.9 million (13.3). The number of cars sold during the fourth quarter increased

by 394 or 44.0 % compared to the fourth quarter of the previous year, amounting to 1,290 (896). The growth was mainly due to systematic work in developing processes in Sweden. During the fourth quarter, Kamux returned to strong growth in Sweden.

Revenue from integrated services increased to EUR 0.6 million (0.4), or 3.7 % of total revenue (4.0). Operating loss decreased compared to the corresponding period of the previous year, amounting to EUR -0.0 million (-0.8) or -0.1 % (-6.2) of revenue. Kamux opened a new showroom in Karlstad in the fourth quarter.

Sweden in January–December 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 % compared to the previous year 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 develop the operations in Sweden further.

Integrated services revenue increased to EUR 1.8 million (1.4), or 3.0 % (2.8) of total 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 increasing the car offering to nearly threefold in Jönköping.

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

Germany in October–December 2017

Revenue increased by 85.9 % compared to the previous year, amounting to EUR 5.8 million (3.1). The number of cars sold during the fourth quarter increased by 273, or 130.6 % compared to the fourth quarter of the previous year and amounted to 482 (209). The growth was mainly due the new showroom opened in December 2016. During the fourth quarter, Kamux continued to develop its business processes in Germany further.

Integrated services revenue increased to EUR 0.1 million (0.0), or 1.8 % (0.9) of total revenue. Operating loss increased compared to the previous year, amounting to EUR -0.7 million (-0.4).

Germany in January–December 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 total revenue. Operating loss in Germany 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 Germany's organization for future growth.

The main event in Germany in 2017 was the official opening in January 2017 of the showroom in Nedderfeld, which had started its operations in December 2016. In October, Kamux appointed Oliver Michels as Kamux's country director for 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. Michels has experience in retail chain expansion, defining customer journeys, building up operations, and acquiring new customer segments. Michels started his duties in January 2018.

Consolidated balance sheet and financial position

The group's consolidated balance sheet 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.

During 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 the issue related expenses was deducted from the issue gross proceeds.

Kamux has entered into a five-year loan facility agreement of EUR 50 million with Nordea Bank AB (publ), Finnish Branch. The facility agreement was amended 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.

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 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 January–December 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 refurbishment, equipment and fixtures, as well as in digitalization projects, such as CRM/ERP system, analytics, information management and financial administration systems. The company financed these investments with the existing cash and cash equivalents, and cash flow from operations.

Personnel

In 2017, Kamux's average number of employees amounted to 418 (343) in terms of full-time equivalent employees. Recruiting new personnel continues to support Kamux's growth.

Average number employees by segment

	Dec 31, 2017	Dec 31, 2016
Finland	334	280
Sweden	59	47
Germany	26	16
Total	418	343

Kamux's share and shareholders

Kamux's largest shareholders as of December 31, 2017 were Intera Fund II Ky (29.4%), Juha Kalliokoski (14.1%), and Elo Mutual Pension Insurance Company (6.9%).

Since the listing of Kamux on May 12, 2017 to December 31, 2017, 16,531,609 shares were traded on the Nasdaq Helsinki main market. The highest share price during the period was EUR 9.00, and the lowest price was EUR 6.40. The closing share price on December 29, 2017 was EUR 7.05. The volume weighted average share price during the year was EUR 7.34. Market capitalization, excluding treasury shares, measured at the review period's closing price was EUR 281.9 million.

Kamux's share capital amounted to EUR 80,000 on December 31, 2017, and the number of shares was 41,307,156. At the end of the review period, the company held 1,319,862 treasury shares, representing 3.2% of all shares.

Management and Corporate Governance

At the end of the review period, Kamux's management team included Juha Kalliokoski, CEO, Tapio Arimo, CFO, Olli Kilpi, Head of International Business, Jussi Mäkinen, Country Director, Finland, Tero Törmänen, Purchasing Director, Tommi Iiskonmäki, Human Resources Director, and Satu Heikkilä, Communications and Marketing Director.

Decisions of the Annual General Meeting

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 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 31 December 2017. PricewaterhouseCoopers Oy appointed Janne Rajalahti, APA, as the principal auditor.

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

Authorizations and other decisions

On May 3, 2016, the company's shareholders unanimously authorized the Board of Directors to resolve on a directed share issue against a consideration. Based on the authorization, a maximum of 6,000,000 new shares may be issued in deviation from the shareholders' pre-emptive rights on one or more occasions. The authorization granted to the company's Board of 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.

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 for the year 2017 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).

Annual General Meeting

The Annual General Meeting of Kamux Corporation is scheduled to be held on Thursday April 26, 2018.

Short-term risks and uncertainties

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

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

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

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

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

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

Changes in car tax legislation or preparation of legislation may have a material adverse effect on the sales of new and used cars and on Kamux. Kamux's tax burden could increase as a result of changes to tax laws or their application or as a result of a tax audit.

Kamux's IT systems are pivotal to the company's operations, and they cover all the major areas of the business. Should the IT systems and services not operate as planned, this may disturb Kamux's operations and have an adverse effect on its business.

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

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

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.

Kamux Corporation's Financial Statements Bulletin for January–December 2017

Key accounting policies

This Financial Statements Bulletin has been prepared according to the IAS 34 - Interim Financial Reporting standard. The Financial Statements Bulletin is based on the same accounting policies and calculation methods as used in the financial statements for the year 2016, as well as on the new and updated IFRS standards described in the financial statements for the year 2016. However, the Financial Statements Bulletin does not include all the information and notes that are presented in the annual financial statements. As such, the Financial Statements Bulletin should be read together with the annual financial statements for the year 2016. The financial statements for 2016 and 2017 are comparable with regard to accounting policies.

The figures presented in the Financial Statements Bulletin are independently rounded.

Preparing the Financial Statements Bulletin requires the management to make accounting estimates and judgments as well as assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, income and expenses. The actual outcomes may differ from these estimates and judgments. The most significant estimates made by the management relating to the group's accounting policies and uncertainties are the same as applied in the financial statements for the year 2016

The Financial Statements Bulletin is unaudited.

IFRS 15 Revenue from Contracts with Customers

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 transfers to a customer. Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

During 2017, Kamux has assessed the impact of the adoption of IFRS 15. In the assessment the possible differences between revenue recognition principles at the moment and IFRS 15 requirements have been determined. Kamux adopts the standard from January 1, 2018 by using a fully retrospective method. Adoption of IFRS 15 will not have a significant effect on the timing of revenue recognition or presentation of balance sheet. Kamux will provide further information on the impacts in the financial statements for 2018.

IFRS 9 Financial Instruments

Kamux will adopt IFRS 9 Financial Instruments from January 1, 2018. In connection with the adoption of the standard, Kamux has analyzed especially the possible effects on classification and measurement of financial assets, effect of the impairment model based on expected credit losses of trade and other receivables, as well as effect of new hedge accounting guidance on accounting and disclosure of derivatives. According to Kamux's analysis, adoption of the standard will not have a significant effect on the financial statements. Kamux will provide further information on the impacts in the financial statements for 2018.

Consolidated statement of comprehensive income

EUR million	10–12/2017	10–12/2016	1–12/2017	1–12/2016
Revenue	114.3	97.8	454.9	404.8
Other operating income	0.1	0.8	0.7	1.1
Materials and services	-101.4	-87.2	-401.7	-356.6
Personnel costs	-5.3	-5.3	-21.7	-19.9
Other operating expenses	-4.1	-3.6	-14.8	-12.8
Depreciation and amortization	-0.3	-0.3	-1.1	-0.8
Operating profit	3.3	2.2	16.2	15.7
Finance costs	-0.2	-0.5	-0.8	-1.0
Profit before income tax	3.0	1.8	15.5	14.6
Income tax	-1.0	-0.6	-3.8	-3.6
Profit for the period	2.0	1.1	11.7	11.0
Other comprehensive income				
Items that maybe subsequently reclassified to profit or loss				
Translation differences	-0.0	-0.0	-0.0	0.0
Other comprehensive income for the period, net of tax	-0.0	-0.0	-0.0	0.0
Total comprehensive income for the period	2.0	1.1	11.7	11.0
Profit for the period attributable to owners of the Company				
	2.0	1.1	11.7	11.0
Total comprehensive income for the period attributable to owners of the Company				
	2.0	1.1	11.7	11.0
Earnings per share for profit attributable to owners of the Company				
Earnings per share, basic and diluted, EUR	0.05	0.03	0.30	0.29

Consolidated balance sheet

EUR million	Dec 31, 2017	Dec 31, 2016
ASSETS		
Non-current assets		
Intangible assets	1.1	1.0
Goodwill	13.6	13.6
Property, plant and equipment	1.7	1.7
Other receivables	0.1	0.0
Deferred tax assets	0.3	0.3
Total non-current assets	16.8	16.6
Current assets		
Inventories	55.2	47.9
Trade and other receivables	12.9	11.4
Current tax assets	0.0	1.8
Cash and cash equivalents	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	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	22.4	25.4
Derivative financial instruments	0.1	0.1
Provisions	0.4	0.4
Total non-current liabilities	22.8	25.8
Current liabilities		
Borrowings	3.0	6.3
Trade and other payables	15.6	12.3
Provisions	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

Consolidated statement of changes in equity

EUR million	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				-5.2	-5.2
Equity at Dec 31, 2016	0.1	4.1	0.1	24.7	28.9

Consolidated statement of cash flows

EUR million	10-12/2017	10-12/2016	1-12/2017	1-12/2016
Cash flows from operating activities				
Profit for the period	2.0	1.1	11.7	11.0
Adjustments for:				
Depreciation and amortization	0.3	0.3	1.1	0.8
Finance costs	0.2	0.5	0.8	1.0
Change in provisions	0.1	0.3	0.6	0.8
Write-down of inventories	0.0	0.3	-0.1	0.3
Income taxes	1.0	0.6	3.8	3.6
Other non-cash items	-	0.1	0.1	0.1
Changes in working capital:				
Change in trade receivables and other receivables	-0.6	-2.7	-1.6	-5.1
Change in trade payables and other payables	2.1	0.4	3.4	2.7
Change in inventories	-0.7	-5.2	-7.3	-12.2
Interests paid	-0.1	-0.3	-0.5	-0.7
Other financial items, net	0.1	-0.0	-0.1	-0.2
Income taxes paid	-2.5	-0.5	-5.1	-3.2
Net cash inflow (outflow) from operating activities	1.8	-5.0	6.5	-1.1
Cash flows from investing activities				
Investments in property, plant and equipment	-0.2	-1.0	-0.6	-1.5
Investments in intangible assets	-0.2	-0.3	-0.6	-0.7
Net cash inflow (outflow) from investing activities	-0.4	-1.3	-1.2	-2.1
Cash flows from financing activities				
Proceeds from share issues	-	2.7	20.5	3.2
Purchase of treasury shares	-	-5.2	-	-5.2
Proceeds from bank loans	-	10.4	-	43.4
Repayments of bank loans	-	-7.0	-6.3	-36.9
Dividends paid	-	-	-2.2	-1.5
Net cash inflow (outflow) from financing activities	-	1.0	12.0	3.1
Net decrease/increase in cash and cash equivalents	1.3	-5.3	17.3	-0.1
Cash and cash equivalents at the beginning of the period	16.7	6.1	0.7	0.8
Effects of exchange rate changes on cash and cash equivalents	0.1	-0.0	0.1	-0.0
Cash and cash equivalents at the end of period	18.1	0.7	18.1	0.7

Net working capital

EUR million	Dec 31, 2017	Dec 31, 2016
Inventories	55.2	47.9
Trade and other receivables	12.9	11.4
Current income tax receivables	0.0	1.8
Trade and other payables	-15.6	-12.3
Provisions	-2.6	-2.0
Current income tax liabilities	-0.4	-3.4
Net working capital	49.5	43.3

Borrowings and net debt

EUR million	Dec 31, 2017	Dec 31, 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

Derivatives

EUR million	Dec 31, 2017	Dec 31, 2016
Interest rate derivatives		
Fair value	-	-0.1
Value of underlying instrument	-	6.5
Foreign currency derivatives		
Fair value	-0.1	0.0
Value of underlying instrument	7.2	3.1

Lease obligations and other commitments

Operating lease commitments

The future minimum lease payments under non-cancellable operating leases

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

Other commitments

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

Related party transactions

EUR million	10-12/2017	10-12/2016	1-12/2017	1-12/2016
Sales of used cars	0.0	-	0.1	0.2
Purchases of used cars	-0.0	-	-0.1	-0.1
Rental expenses	-0.0	-0.2	-0.5	-0.6
Consulting expenses	-0.0	-0.0	-0.3	-0.1

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

Rental expenses consist of lease payments for showrooms owned by the Group's CEO, his immediate family members and companies under their control. 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.

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

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

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

Calculation of key figures and alternative performance measures

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

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

Reconciliation of adjusted operating profit

EUR million	10-12/2017	10-12/2016	1-12/2017	1-12/2016
Operating profit (EBIT)	3.3	2.2	16.2	15.7
Costs relating to the listing	-	0.0	1.2	1.2
Strategic investigations	-	0.4	0.7	0.6
Special items relating to geographical expansion	0.0	0.1	0.4	0.2
Share-based payments	-	0.3	-	0.3
Total adjustment items	0.0	0.8	2.4	2.3
Adjusted operating profit	3.3	3.0	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	= 100 * ($\frac{\text{Like-for-like showroom car sales}}{\text{Like-for-like showroom car sales in the previous year}} - 1$)
		<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 *	$\frac{\text{Inventories (average for 12 months)}}{\text{Materials and services (rolling 12 months)}}$
Return on equity (ROE), %	= 100 *	$\frac{\text{Profit for the period (rolling 12 months)}}{\text{Equity (average for 12 months)}}$
Return on capital employed (ROI), %	= 100 *	$\frac{\text{Profit for the period} + \text{Finance costs (rolling 12 months)}}{\text{Equity} + \text{Financial debt (average for 12 months)}}$
Equity ratio, %	= 100 *	$\frac{\text{Equity}}{\text{Balance sheet total} - \text{Advance payments received}}$
Gearing, %	= 100 *	$\frac{\text{Net debt}}{\text{Equity}}$
Earnings per share, basic	=	$\frac{\text{Profit for the period (attributable to owners of the Company)}}{\text{Weighted average number of outstanding shares adjusted for share issue for the period}}$
Net working capital	=	Inventories + Trade and other receivables + Current income tax receivables - Trade and other payables - Current income tax liabilities - Non-current and current provisions

Publication schedule for financial reporting in 2018

Kamux will publish its Financial Statements and Interim Reports in 2018 as follows:

24 May 2018: Kamux Corporation will publish its Interim Report for January-March 2018.

23 August 2018: Kamux Corporation will publish its Half-Year Financial Report for January-June 2018.

22 November 2018: Kamux Corporation will publish its Interim Report for January-September 2018.

The Annual Report for 2017 including Financial Statements will be published on week 14/2018.

The Annual General Meeting of Kamux Corporation is scheduled to be held on Thursday 26 April 2018.

Financial Statements Bulletin press conference and webcast

Kamux will hold a Financial Statements Bulletin press conference for media and analysts today March 8, 2018 at hotel GLO video wall -room, address Kluuvikatu 4, Helsinki at 13:00 (Finnish time) in Finnish and then in English at around 13:30. You can follow the press conference live through a link found at <http://www.kamux.com/tiedotteet-ja-julkaisut/raportit-ja-esitykset/>. The Financial Statements Bulletin will be presented by CEO Juha Kalliokoski and CFO Tapio Arimo.

In Hämeenlinna on March 8, 2018

Kamux Corporation

The Board of Directors

For more information:

Juha Kalliokoski, CEO

Tel. +358 50 544 5538

Tapio Arimo, CFO

Tel. +358 40 829 6452

Satu Heikkilä, Director of Communications

Tel. +358 400 629 337