

# HALF YEAR FINANCIAL REPORT January–June 2019



Kamux Corporation

Half Year Financial Report

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Kamux Corporation's Half Year Financial Report for January 1–June 30, 2019

**Kamux's revenue increased by 22.9% and adjusted operating profit continued to increase***The figures in parenthesis refer to the comparison period, i.e. the same period in the previous year, unless stated otherwise.***April–June in brief**

- The number of cars sold increased by 17.6% to 13,441 cars (11,433)
- Revenue increased by 22.9%, totaling EUR 157.3 million (128.0)
- Gross profit increased by 23.4% to EUR 20.1 million (16.3), or 12.8% (12.8) of revenue
- Adjusted operating profit (EBIT) increased by 10.7% to EUR 6.7 million (6.1), or 4.3% (4.8) of revenue
- Operating profit (EBIT) increased by 86.3% to EUR 6.7 million (3.6), or 4.3% (2.8) of revenue
- Earnings per share were EUR 0.12 (0.05)
- Like-for-like showroom revenue growth was 2.4% (9.3)

**January–June in brief**

- The number of cars sold increased by 12.3% to 25,628 cars (22,812)
- Revenue increased by 17.0%, totaling EUR 300.2 million (256.7)
- Gross profit increased by 18.8% to EUR 36.7 million (30.9), or 12.2% (12.0) of revenue
- Adjusted operating profit (EBIT) increased by 4.6% to EUR 11.4 million (10.9), or 3.8% (4.2) of revenue
- Operating profit (EBIT) increased by 35.4% to EUR 11.4 million (8.4), or 3.8% (3.3) of revenue
- Earnings per share were EUR 0.20 (0.13)
- Like-for-like showroom revenue decline was -1.0% (9.1)

**CEO Juha Kalliokoski:**

“The market for cars is in a state of change that is influenced by a number of factors: technology change, power source and climate debate, emission measurement changes and driving and car related tax policies that are difficult to predict. All of these together have created uncertainty amongst consumers, which is very clearly reflected in new car sales. As a company focused on used cars, Kamux's position in this change is different. Despite the market disturbance, people's need for mobility has not changed, and we have been able to respond to customer needs more flexibly than retailers of new cars. I am very pleased with Kamux's positive development in this operating environment, where the strength of our strategy stands out.

The second quarter was characterized by strong implementation of our growth strategy and Kamux's concept. Our revenue grew by 22.9%, totaling EUR 157.3 million. Our gross profit increased by 23.4%. Adjusted operating profit increased by 10.7%, totaling EUR 6.7 million. Return on equity (ROE) during the first half year was 26.9% and return on investment totaled 16.0%.

In Finland, our revenue increased during the second quarter by 15.0% and we increased our gross profit by 19.4%. In Germany, our revenue increased by 51.0%, along with relative profitability. In Sweden, our revenue increased by 63.5% and operating profit was at previous year's level.



We also performed well and according to plans in our purchases and in growing our car stock to prepare for the summer season. This was reflected in the inventory turnover.

Member of Group Management Team of Kamux Corporation and the company CFO, M.Sc. (econ) Marko Lehtonen started in his position on June 17, 2019.”

### Outlook and financial targets

Kamux does not provide a short-term outlook. The company’s medium-term financial targets for 2019–2022 are to increase revenue by over 10% annually and to reach an operating profit margin of at least 4%.

### Key figures

EUR million	4-6/ 2019**	4-6/ 2018	Change, %	1-6/ 2019**	1-6/ 2018	Change, %	1-12/ 2018
Revenue	157.3	128.0	22.9%	300.2	256.7	17.0%	527.8
Gross profit	20.1	16.3	23.4%	36.7	30.9	18.8%	64.9
as percentage of revenue, %	12.8%	12.8%		12.2%	12.0%		12.3%
Operating profit (EBIT)	6.7	3.6	86.3%	11.4	8.4	35.4%	18.9
as percentage of revenue, %	4.3%	2.8%		3.8%	3.3%		3.6%
Adjusted operating profit*	6.7	6.1	10.7%	11.4	10.9	4.6%	21.9
as percentage of revenue, %	4.3%	4.8%		3.8%	4.2%		4.1%
Revenue from integrated services	7.9	6.4	22.9%	15.0	12.5	19.8%	27.1
as percentage of revenue, %	5.0%	5.0%		5.0%	4.9%		5.1%
Number of cars sold	13,441	11,433	17.6%	25,628	22,812	12.3%	46,596
Gross profit per sold car, EUR	1,499	1,428	5.0%	1,434	1,356	5.8%	1,392
Sales growth of like-for-like showrooms, %	2.4%	9.3%		-1.0%	9.1%		5.6%
Net debt				57.8	10.3	463.8%	9.6
Inventories				79.2	61.7	28.3%	71.0
Inventory turnover, days				51.3	48.0	6.8%	49.6
Capital expenditures	0.8	0.2	296.9%	1.2	0.4	185.5%	1.3
Average number of employees during the period				566	447	26.6%	472
Return on equity (ROE), %				26.9%	21.5%		22.9%
Return on investment (ROI), %				16.0%	16.5%		16.2%
Equity ratio, %				44.6%	56.0%		60.0%
Earnings per share, basic, EUR	0.12	0.05	127.5%	0.20	0.13	54.0%	0.37

\* Operating profit adjusted for special items related to strategy planning, strategy implementation, geographical expansion and during comparative year also taxes from previous financial years. During the second quarter of 2019 there were no special items. During 1-6/2019 special items totaled EUR 0.0 million (4-6/2018: EUR 2.5 million, 1-6/2018: EUR 2.5 million and 1-12/2018: EUR 3.0 million).

\*\* Key figures 1-6/2019 and 4-6/2019 include the effects of adoption of IFRS 16 Leases standard. Excluding IFRS 16 effects the comparable figures in 1-6/2019 were: Operating profit (EBIT) EUR 11.4 million, Adjusted operating profit EUR 11.4 million, Net debt EUR 18.0 million, Return on equity (ROE) 27.1%, Return on investment (ROI) 20.1% and Equity ratio 59.7% and 4-6/2019 Operating profit (EBIT) EUR 6.7 million and Adjusted operating profit EUR 6.7 million.

## Market review

Technology change, power source and climate debate, emission measurement changes and car related tax policies, which are difficult to predict, have weakened the market for new cars and are also partly reflected in used car sales driven by consumer uncertainty. Contrary to the general trend, Kamux has been able to further strengthen its market position in all its markets.

According to the company's estimate the used car market decreased slightly in Finland during the second quarter. According to Kamux's estimate, the used car market in Sweden decreased during the second quarter. In Sweden, the company estimates that it has strengthened its position among the ten largest used car retailers. Kamux estimates that its share of the used car market in Germany increased during the second quarter. It is, however, still marginal. According to Kamux's estimate, Germany's used car market decreased slightly during the second quarter.

Kamux estimates that the used car market sizes in 2018 in the countries in which Kamux operates were as follows: approximately 0.5 million cars sold yearly in Finland, approximately 1.2 million cars in Sweden, and approximately 7.2 million cars in Germany. Kamux estimates that the used car market size in all operating countries totals approximately 9 million sold cars annually, which is more than EUR 100 billion.

## Revenue in April–June 2019

Revenue increased by 22.9% compared to the corresponding period of the previous year and amounted to EUR 157.3 million (128.0). The increase in revenue was driven by the opening of new showrooms and sales growth of like-for-like showrooms. The growth was fully organic. Kamux's integrated services revenue increased to EUR 7.9 million (6.4), or 5.0% (5.0) of total revenue.

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 17.6% compared to the corresponding period of the previous year and amounted to 13,441 cars (11,433). Revenue per sold car amounted to EUR 11,700 (11,192).

## Revenue in January–June 2019

Revenue increased by 17.0% compared to the corresponding period of the previous year and amounted to EUR 300.2 million (256.7). Kamux's integrated services revenue increased to EUR 15.0 million (12.5), or 5.0% (4.9) of total revenue.

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 12.3% compared to the corresponding period of the previous year and amounted to 25,628 cars (22,812). Revenue per sold car amounted to EUR 11,716 (11,251).

## Revenue allocation

EUR million	4-6/2019	4-6/2018	1-6/2019	1-6/2018	1-12/2018
Sales of used cars	149.4	121.6	285.3	244.2	500.8
Financing fees and Insurance commissions	6.6	5.4	12.4	10.5	22.7
Sales of Kamux Plus	1.3	1.0	2.5	2.0	4.3
<b>Total</b>	<b>157.3</b>	<b>128.0</b>	<b>300.2</b>	<b>256.7</b>	<b>527.8</b>

### Result in April–June 2019

Gross profit increased by 23.4% compared to the corresponding period of the previous year and amounted to EUR 20.1 million (16.3). Gross profit increased across all segments but in Sweden, gross profit as percentage of revenue decreased. In Kamux Group, gross profit as percentage of revenue was at previous year's level, amounting to 12.8% (12.8).

The adjusted operating profit increased by 10.7% and amounted to EUR 6.7 million (6.1). The adjusted operating profit as percentage of revenue was 4.3% (4.8). The adjusted operating profit has been adjusted for special items related to strategic planning, implementation of the strategy, geographical expansion and during the comparative year also special items related to taxes from previous financial years. There were no items adjusting the operating profit in the second quarter of 2019 (2.5).

Kamux's operating profit increased by 86.3% compared to the previous year, amounting to EUR 6.7 million (3.6). During the comparison period, the operating profit was impacted by EUR 2.4 million expenses of special items related to taxes from previous financial years. Excluding the effect of IFRS 16 the operating profit increased 86.0% and amounted to EUR 6.7 million (3.6).

The profit before taxes for the second quarter amounted to EUR 6.0 million (3.3). Earnings per share amounted to EUR 0.12 (0.05). By comparable figures without IFRS 16 effect, the profit before taxes amounted to EUR 6.1 million (3.3).

### Result in January–June 2019

Gross profit increased by 18.8% compared to the corresponding period of the previous year and amounted to EUR 36.7 million (30.9). Gross profit as percentage of revenue increased by 0.2 percentage points to 12.2% (12.0).

The adjusted operating profit increased by 4.6% and amounted to EUR 11.4 million (10.9). The adjusted operating profit as percentage of revenue was 3.8% (4.2). The items adjusting to the operating profit totaled EUR 0.0 million (2.5) in January–June.

Kamux's operating profit increased by 35.4% compared to the previous year, amounting to EUR 11.4 million (8.4). Excluding the effect of IFRS 16, the operating profit increased by 35.7% and amounted to EUR 11.4 million (8.4).

The profit before taxes for January–June amounted to EUR 10.1 million (7.4). Earnings per share amounted to EUR 0.20 (0.13). By comparable figures without IFRS 16 effect, the profit before taxes amounted to EUR 10.3 million (7.4).

## Key figures of the business segments

EUR million	4-6/ 2019	4-6/ 2018	Change, %	1-6/ 2019	1-6/ 2018	Change, %	1-12/ 2018
<b>Revenue</b>							
Finland	118.1	102.7	15.0%	226.4	206.1	9.9%	419.1
Sweden	38.0	23.3	63.5%	71.5	47.4	50.9%	101.9
Germany	10.7	7.1	51.0%	21.5	13.6	58.4%	30.1
<b>Segments total</b>	<b>166.9</b>	<b>133.0</b>	<b>25.4%</b>	<b>319.4</b>	<b>267.1</b>	<b>19.6%</b>	<b>551.1</b>
Group functions and eliminations	-9.6	-5.1	-89.7%	-19.2	-10.4	-84.1%	-23.3
<b>Total</b>	<b>157.3</b>	<b>128.0</b>	<b>22.9%</b>	<b>300.2</b>	<b>256.7</b>	<b>17.0%</b>	<b>527.8</b>
<b>Gross Profit</b>							
Finland	16.2	13.6	19.4%	29.7	26.0	14.4%	54.3
Sweden	2.9	2.1	39.3%	5.3	3.8	38.2%	8.3
Germany	1.0	0.7	55.2%	1.7	1.1	56.0%	2.2
<b>Segments total</b>	<b>20.1</b>	<b>16.3</b>	<b>23.4%</b>	<b>36.7</b>	<b>30.9</b>	<b>18.8%</b>	<b>64.9</b>
Group functions and eliminations	-	-	-	-	-	-	-
<b>Total</b>	<b>20.1</b>	<b>16.3</b>	<b>23.4%</b>	<b>36.7</b>	<b>30.9</b>	<b>18.8%</b>	<b>64.9</b>
<b>Gross profit, as percentage of revenue, %</b>							
Finland	13.7%	13.2%		13.1%	12.6%		13.0%
Sweden	7.7%	9.0%		7.4%	8.1%		8.2%
Germany	9.4%	9.2%		8.0%	8.1%		7.3%
<b>Segments total</b>	<b>12.1%</b>	<b>12.3%</b>		<b>11.5%</b>	<b>11.6%</b>		<b>11.8%</b>
Group functions and eliminations	-	-		-	-		-
<b>Total</b>	<b>12.8%</b>	<b>12.8%</b>		<b>12.2%</b>	<b>12.0%</b>		<b>12.3%</b>
<b>Operating profit</b>							
Finland	7.6	4.4	72.6%	13.5	10.4	29.4%	24.1
Sweden	0.4	0.4	-10.9%	0.6	0.6	7.0%	0.9
Germany	-0.3	-0.2	-18.3%	-0.7	-0.7	-0.6%	-1.8
<b>Segments total</b>	<b>7.7</b>	<b>4.6</b>	<b>67.3%</b>	<b>13.4</b>	<b>10.3</b>	<b>30.0%</b>	<b>23.2</b>
Group functions and eliminations	-1.0	-1.0	1.8%	-2.1	-1.9	-6.7%	-4.3
<b>Total</b>	<b>6.7</b>	<b>3.6</b>	<b>86.3%</b>	<b>11.4</b>	<b>8.4</b>	<b>35.4%</b>	<b>18.9</b>
<b>Operating profit, as percentage of revenue, %</b>							
Finland	6.4%	4.3%		6.0%	5.1%		5.8%
Sweden	1.0%	1.9%		0.9%	1.2%		0.9%
Germany	-2.4%	-3.1%		-3.2%	-5.0%		-6.1%
<b>Segments total</b>	<b>4.6%</b>	<b>3.5%</b>		<b>4.2%</b>	<b>3.9%</b>		<b>4.2%</b>
Group functions and eliminations	-	-		-	-		-
<b>Total</b>	<b>4.3%</b>	<b>2.8%</b>		<b>3.8%</b>	<b>3.3%</b>		<b>3.6%</b>

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

percentage, %	4-6/2019	4-6/2018	1-6/2019	1-6/2018	1-12/2018
<b>Financing services</b>					
Finland	48	47	48	47	46
Sweden	47	45	46	46	46
Germany	23	20	22	20	21
<b>Insurance services</b>					
Finland	48	45	48	46	45
Sweden	92	91	92	91	91
<b>Kamux Plus</b>					
Finland	19	19	19	18	19
Sweden	23	27	23	28	26

### Finland in April–June 2019

Revenue increased by 15.0% compared to the corresponding period of the previous year, amounting to EUR 118.1 million (102.7). The number of cars sold increased by 1,129, or 11.9% compared to the second quarter of the previous year, amounting to 10,615 cars (9,486). The growth was based on the sales of new showrooms. Kamux opened a utility vehicle point at the Jyväskylä showroom in April and a new showroom in Forssa in June. Kamux announced that it will relocate in Vaasa, doubling the selection of cars in the Vaasa showroom.

Integrated services revenue increased to EUR 6.9 million (5.7), or 5.8% (5.5) of revenue. Operating profit increased by 72.6% compared to the corresponding period of the previous year, amounting to EUR 7.6 million (4.4), or 6.4% (4.3) of revenue. Finland's operating profit in the comparison period was impacted by EUR 2.4 million expenses of special items related to taxes from previous financial years. IFRS 16 had no material effect on operating profit.

### Finland in January–June 2019

Revenue increased by 9.9% compared to the corresponding period of the previous year, amounting to EUR 226.4 million (206.1). The number of cars sold during January–June increased by 1,480, or 7.9% compared to the corresponding period of the previous year, amounting to 20,303 cars (18,823).

Integrated services revenue increased to EUR 13.2 million (11.2), or 5.8% (5.4) of revenue during January–June. Operating profit increased by 29.4% compared to the comparison period amounting to EUR 13.5 million (10.4), or 6.0% (5.1) of revenue. Finland's operating profit in the comparison period was impacted by EUR 2.4 million expenses of special items related to taxes from previous financial years. IFRS 16 had no material effect on operating profit.

### Sweden in April–June 2019

Total revenue increased by 63.5% compared to the corresponding period of the previous year, amounting to EUR 38.0 million (23.3). External revenue increased by 53.7%, amounting to EUR 28.8 million (18.7). The number of cars sold during the second quarter increased by 545, or 37.6% compared to the second quarter of the previous year, amounting to 1,993 cars (1,448). The growth was driven by the sales of new showrooms and the sales growth of like-for-like showrooms. Kamux

opened a new showroom in Helsingborg in June. The opening of Göteborg showroom has been delayed due to the city's plan and permit processes.

Revenue of the integrated services increased to EUR 0.7 million (0.5), or 2.3% (2.8) of external revenue. Operating profit was at previous year's level amounting to EUR 0.4 million (0.4), or 1.0% (1.9) of total revenue. Relative profitability of total revenue decreased due to the average price and gross margin of cars increased while the share of integrated services of revenue decreased, additionally gross profit margin in Sweden was impacted by increased export to Finland in the reporting period. IFRS 16 had no material effect on operating profit.

### **Sweden in January–June 2019**

Total revenue increased by 50.9% compared to the corresponding period of the previous year, amounting to EUR 71.5 million (47.4). External revenue increased by 41.5%, amounting to EUR 53.5 million (37.8). The number of cars sold during January-June increased by 751, or 25.1% compared to the corresponding period of the previous year, amounting to 3,746 cars (2,995).

Integrated services revenue increased to EUR 1.3 million (1.0), or 2.4% (2.7) of external revenue during January–June. Operating profit was at previous year's level, amounting to EUR 0.6 million (0.6), or 0.9% (1.2) of total revenue. Excluding the effect of IFRS 16, the operating profit amounted to EUR 0.7 million (0.6).

### **Germany in April–June 2019**

Total revenue increased by 51.0% compared to the corresponding period of the previous year, amounting to EUR 10.7 million (7.1). External revenue increased by 57.0%, amounting to EUR 10.4 million (6.6). The number of cars sold during the second quarter increased by 334, or 66.9% compared to the second quarter of the previous year, amounting to 833 cars (499). Growth was driven by sales growth in like-for-like showrooms as well as new showrooms. Kamux announced the opening of a new showroom in Heide in early autumn 2019.

Integrated services revenue increased to EUR 0.3 million (0.2), or 3.0% (3.0) of external revenue. Operating loss increased compared to the corresponding period of the previous year, amounting to EUR -0.3 million (-0.2), or -2.4% (-3.1) of total revenue. IFRS 16 had no material effect on operating loss.

### **Germany in January–June 2019**

Total revenue increased by 58.4% compared to the corresponding period of the previous year, amounting to EUR 21.5 million (13.6). External revenue increased by 59.1%, amounting to EUR 20.3 million (12.8). The number of cars sold during January-June increased by 585, or 58.9% compared to the corresponding period of the previous year, amounting to 1,579 cars (994).

Integrated services revenue increased to EUR 0.6 million (0.3) during January–June, or 2.7% (2.2) of the external revenue. Operating loss was at previous year's level amounting to EUR -0.7 million (-0.7), or -3.2% (-5.0) of total revenue. IFRS 16 had no material effect on operating loss.

### **Consolidated balance sheet and financial position**

As of June 30, 2019, the consolidated balance sheet total was EUR 158.4 million (105.7), of which total equity amounted to EUR 70.4 million (59.2). Comparable consolidated balance sheet total without IFRS 16 effect amounted to EUR 118.7 million (105.7). The amount of net debt was EUR 57.8 million (10.3). Comparable amount of net debt without IFRS 16 effect was EUR 18.0 million (10.3). Non-current bank loans amounted to EUR 17.9 million (20.9).



Kamux has entered into a five-year credit facility agreement of EUR 50 million with Nordea Bank Corporation. The credit facility agreement includes a five-year term loan of EUR 30 million and a revolving credit facility of EUR 20 million. In addition to the revolving credit facility, Kamux has a lease guarantee facility of EUR 0.4 million. At the end of the reporting period, EUR 20.9 million of the term loan was in use. The term loan is currently repaid in bi-annual installments of EUR 1.5 million.

Net working capital amounted to EUR 71.3 million (53.2) as of June 30, 2019. The value of the inventory was EUR 79.2 million (61.7).

Kamux's cash flow from operating activities for January–June amounted to EUR 2.3 million (2.0). Comparable cash flow from operating activities without IFRS 16 effect amounted to EUR -1.0 million (2.0). IFRS 16 increases the operating cash flow, 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 continues to be presented as operating cash flow. Cash and cash equivalents at the end of the period amounted to EUR 3.0 million (13.7). The decrease in cash and cash equivalents compared to the corresponding period was mainly due to growth in inventories. We prepared for the most important sales months of the year by increasing the selection of vehicles for sale.

Equity ratio at the end of the review period was 44.6% (56.0). Return on capital employed (ROI) was 16.0% (16.5) and return on equity (ROE) was 26.9% (21.5). The decrease in equity ratio and return on capital employed was driven by growth in the consolidated balance sheet total resulting from the adoption of the IFRS 16 Leases standard. In comparable terms without IFRS 16 effect, equity ratio amounted to 59.7% (56.0), ROI amounted to 20.1% (16.5) and ROE amounted to 27.1% (21.5) at the end of the review period.

### Capital expenditure, research and development

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

Kamux's capital expenditure for January–June amounted to EUR 1.2 million (0.4) and the capital expenditure will remain at a higher level for at least a one-year period compared to the previous year. The capital expenditure consisted mainly of IT systems and ordinary maintenance in the showrooms. The company finances these capital expenditure with its existing cash and cash equivalents, as well as cash flow from operations.

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

### Personnel

In January–June, Kamux's average number of employees amounted to 566 (447) in terms of full-time employees. Recruitment of new personnel is continued to support Kamux's growth.

### Average number of employees by segment

	1–6/2019	1–6/2018	1–12/2018
Finland	409	343	362
Sweden	114	75	80
Germany	44	30	30
<b>Total</b>	<b>566</b>	<b>447</b>	<b>472</b>

## Kamux's share and shareholders

Kamux's largest shareholders as of June 30, 2019 were Intera Fund II Ky (29.4%), Juha Kalliokoski (14.1%), and Elo Mutual Pension Insurance Company (8.2%).

During January–June, 3,417,415 (480,114) Kamux shares were traded on the Nasdaq Helsinki main market. The highest share price during the period was EUR 6.20 (7.48), and the lowest price was EUR 5.20 (5.60). The closing share price on June 28, 2019 was EUR 5.40 (6.60). Kamux's volume weighted average share price during January–June was EUR 5.73 (6.82). Market capitalization measured at the review period's closing price was EUR 216.1 million (263.9).

Kamux's share capital amounted to EUR 80,000 on June 30, 2019, and the number of shares was 40,017,420. On March 1, 2019, the company issued a total of 30,126 new shares in a share issue without consideration directed to the key personnel of the Kamux Group for the payment of share-based incentive scheme of 2018. The new shares were registered in the Finnish Trade Register on March 14, 2019. The Company does not hold any treasury shares.

## Management and Corporate Governance

At the end of the review period, Kamux's management team included Juha Kalliokoski, CEO; Marko Lehtonen, CFO; Tommi Iiskonmäki, Country Director; Mikko-Heikki Inkeroinen, Chief Digital Officer; Olli Kilpi, Director of International Business; Satu Otala, Director of Communications; Jennie Stenbom, Chief People Officer; Tero Törmänen, Purchasing Director, Finland and Ilkka Virtanen, Director of Business Development.

CFO Marko Lehtonen start in his new position on June 17, 2019. On June 20, 2019, Kamux reported that Chief People Officer and member of the Management Team Jennie Stenbom will take up new responsibilities outside the company. Stenbom will continue in her current position until September 19, 2019.

### *Share-based incentive scheme*

On January 23, 2019, the Board of Directors of Kamux Corporation decided to approve the detailed terms and conditions of the share-based incentive scheme for the Group's key personnel for 2019. The incentive scheme now approved for 2019 is the second scheme approved on the basis of the decision made by the Board of Directors on April 27, 2017 to establish an incentive scheme. The general terms and conditions of the scheme were described and published in a separate stock exchange release on January 23, 2019. The entire scheme is accounted for as an equity-settled payment with net settlement features. The earnings period for the scheme is the calendar year 2019, followed by a two-year commitment period. The fair value of the scheme was determined on the grant date. The fair value of the scheme is expensed during the three years until the end of the commitment period. During January–June 2019, the total effect of the schemes on the consolidated income was EUR -0.1 million (-0.1).

### *Decisions of the Annual General Meeting and the Constitutive Meeting of the Board of Directors*

#### Decisions of the Annual General Meeting

Kamux Corporation's Annual General Meeting was held on Friday April 12, 2019. The Meeting approved the Financial Statements and discharged the members of the Board of Directors and CEO from liability for the year of 2018. The Board of Directors proposal for a dividend of EUR 0.16 per share was approved. The record date for dividend payments was April 16, 2019 and the dividends were paid on April 25, 2019.

The Annual General Meeting confirmed that the Board of Directors will consist of six members and Mr. Matti Virtanen, Ms. Reija Laaksonen, Mr. David Nuutinen, Mr. Jokke Paananen, Mr. Vesa Uotila and Mr. Harri Sivula were re-elected as members of the Board of Directors. The Annual General Meeting elected Mr. Matti Virtanen as the Chairman of the Board and Mr. Harri Sivula as the Vice Chairman of the Board.

Authorized Public Accountant PricewaterhouseCoopers Oy was re-elected as the company's auditor. The remuneration of the auditor will be paid according to the invoice as accepted by the Company. PricewaterhouseCoopers Oy has informed that Authorized Public Accountant Mr. Janne Rajalahti acts as the principal auditor.

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the issuance of a maximum of 4,000,000 shares in one or more tranches corresponding to approximately 10% of all the shares in the company. The Board of Directors decides on the terms and conditions of the issuance of shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive right (directed issue). The authorization cancels previous unused authorizations regarding share issues but for the part of the previously given authorization that has been given for the Company's share-based incentive schemes. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until June 30, 2020.

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the repurchase of a maximum of 2,000,000 company's own shares using the unrestricted equity of the company, representing approximately 5% of all the shares in the company. The authorization includes the right to accept company's own shares as a pledge. The shares shall be acquired to be used for execution of the Company's share-based incentive schemes or for other purposes determined by the Board of Directors. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until June 30, 2020. The Board of Directors shall decide on any other matters related to the repurchase of the company's own shares and/or accepting them as a pledge.

#### Decisions of the Constitutive Meeting of the Board of Directors

In its constitutive meeting convening after the Annual General Meeting, the Board of Directors reappointed Mr. Harri Sivula (Chairman), Ms. Reija Laaksonen and Mr. Vesa Uotila as members of the Audit Committee.

The Board assessed the independence of the directors in its meeting in accordance with the Finnish Corporate Governance Code. It was concluded that Ms. Reija Laaksonen, Mr. David Nuutinen and Mr. Harri Sivula are independent of the company and its significant shareholders, Mr. Jokke Paananen and Mr. Vesa Uotila are independent of the company, and Mr. Matti Virtanen is independent of the significant shareholders of the company.

The decisions of the Annual General Meeting and the constitutive meeting of the Board of Directors were published in a stock exchange release on April 12, 2019.

#### Financial targets

On January 29, 2019, Kamux Corporation updated its medium-term financial targets for 2019–2022. The company's medium-term financial targets are to increase revenue by over 10% annually and to reach an EBIT margin of at least 4% and a dividend payout of at least 30% of profit for the year.

## Tax reassessment decision

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

## 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 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. Public discussion on car power sources and possible changes in power sources as well as political decisions related to power sources may seasonally have an effect on Kamux's business, considering that the consumer demand may fluctuate.

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

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

The main principles of Kamux's risk management are described in the consolidated financial statements and on the website at [www.kamux.com](http://www.kamux.com).



### Events after the reporting period

On July 9, 2019, Kamux announced that it will open a new showroom in Halmstad during autumn 2019.

On July 9, 2019, Kamux announced that it will open a new showroom in Stockholm during autumn 2019.

On July 22, 2019, Kamux announced that it will open a new showroom in Stade. The Stade showroom will replace the previously announced Tostedt showroom opening.

### Calculation of key figures and alternative performance measures

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

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

### Reconciliation of adjusted operating profit

EUR million	4-6/2019	4-6/2018	1-6/2019	1-6/2018	1-12/2018
<b>Operating profit (EBIT)</b>	<b>6.7</b>	<b>3.6</b>	<b>11.4</b>	<b>8.4</b>	<b>18.9</b>
Strategic investigations	-	-	-	-	0.4
Special items relating to geographical expansion	-	0.0	0.0	0.1	0.1
Taxes related to previous financial years	-	2.4	-	2.4	2.5
<b>Total adjustment items</b>	<b>-</b>	<b>2.5</b>	<b>0.0</b>	<b>2.5</b>	<b>3.0</b>
<b>Adjusted operating profit</b>	<b>6.7</b>	<b>6.1</b>	<b>11.4</b>	<b>10.9</b>	<b>21.9</b>

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

## Kamux Corporation's Half Year Financial Report for January–June 2019

### Key accounting policies

This Half Year Financial Report has been prepared according to the IAS 34 - Interim Financial Reporting standard. The Half Year Financial Report is based on the same accounting policies and calculation methods as used in the financial statements for the year 2018, as well as on the new and amended IFRS standards described in the financial statements for the year 2018. However, the Half Year Financial Report does not include all the information and notes that are presented in the Annual Financial Statements. As such, the Half Year Financial Report should be read together with the Annual Financial Statements for the year 2018. This Half Year Financial Report applies the same accounting principles as the annual financial statements, with the exception of the new and amended standards described below, adopted at the beginning of the financial year.

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

Preparing the Half Year Financial Report requires the management to make accounting estimates and judgments as well as assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, income and expenses. The actual outcomes may differ from these estimates and judgments. In preparation of this Half Year Financial Report the most significant estimates made by the management relating to the group's accounting policies and uncertainties are the same as those applied in the financial statements for the year 2018.

The Half Year Financial Report is unaudited.

### IFRS 16 Leases

IFRS 16 was effective for accounting periods beginning on or after January 1, 2019, and Kamux adopted the standard on its effective date. Kamux adopted IFRS 16 using the modified retrospective transition approach. Figures of comparative years are not restated but to retain the comparability between 2018 and 2019 figures, Kamux discloses additional information about the effects of IFRS 16 on 2019 figures.

In accordance with IFRS 16, Kamux recognizes almost all leases on the balance sheet. The standard removed 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. Kamux applies an optional exemption that exists for short-term and low-value leases.

In IFRS 16 implementation project, Kamux adjusted accounting processes to meet IFRS 16 requirements and improved controls. Kamux implemented a lease agreement administration and calculation system which was taken into use at the beginning of year 2019. The standard has a significant effect on Kamux's consolidated financial statements, since Kamux has leased many showrooms and office premises from third parties for periods longer than one year and by cancellable contracts. The amount of leased assets and corresponding lease liabilities increased the consolidated balance sheet total by 33% or EUR 38.3 million at the date of transition January 1, 2019. Kamux has prepared a preliminary assessment of the total effects of adopting the IFRS 16 standard in its consolidated financial statements for 2019. Kamux expects that during 2019, key figures based on balance sheet will change. During 2019, the change will also have effect on Kamux's statement of comprehensive income 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 is replaced with interest and depreciation, and consequently key figures such as EBITDA and operating profit will change. Kamux currently estimates that the adoption of IFRS 16 is expected to improve significantly EBITDA but is not expected to have a significant impact on operating profit in year 2019.

**Consolidated statement of comprehensive income**

EUR million	4–6/2019*	4–6/2018	1–6/2019*	1–6/2018	1–12/2018
<b>Revenue</b>	<b>157.3</b>	<b>128.0</b>	<b>300.2</b>	<b>256.7</b>	<b>527.8</b>
Other operating income	0.2	0.2	0.3	0.5	0.9
Materials and services	-137.3	-111.9	-263.8	-226.2	-463.8
Personnel costs	-8.3	-6.6	-15.6	-12.8	-26.8
Other operating expenses	-3.1	-5.8	-5.7	-9.1	-17.9
Depreciation and amortization	-2.1	-0.3	-4.1	-0.6	-1.2
<b>Operating profit</b>	<b>6.7</b>	<b>3.6</b>	<b>11.4</b>	<b>8.4</b>	<b>18.9</b>
Finance income and costs	-0.8	-0.3	-1.3	-1.0	0.4
<b>Profit before income tax</b>	<b>6.0</b>	<b>3.3</b>	<b>10.1</b>	<b>7.4</b>	<b>19.4</b>
Income tax	-1.3	-1.2	-2.3	-2.3	-4.7
<b>Profit for the period</b>	<b>4.7</b>	<b>2.1</b>	<b>7.8</b>	<b>5.1</b>	<b>14.6</b>
<b>Other comprehensive income</b>					
<b>Items that maybe subsequently reclassified to profit or loss</b>					
Translation differences	-0.0	-0.0	-0.0	-0.1	-0.1
<b>Other comprehensive income for the period, net of tax</b>	<b>-0.0</b>	<b>-0.0</b>	<b>-0.0</b>	<b>-0.1</b>	<b>-0.1</b>
<b>Total comprehensive income for the period</b>	<b>4.7</b>	<b>2.0</b>	<b>7.8</b>	<b>5.0</b>	<b>14.6</b>
Profit for the period attributable to					
owners of the Company	4.7	2.1	7.8	5.1	14.6
Total comprehensive income for the period attributable to					
owners of the Company	4.7	2.0	7.8	5.0	14.6
Earnings per share for profit attributable to owners of the Company					
Earnings per share, basic and diluted, EUR	0.12	0.05	0.20	0.13	0.37

\* Include the effects of adoption of IFRS 16 Leases standard. Excluding IFRS 16 the comparable figures in 4–6/2019 were: Other operating expenses EUR -4.8 million, Depreciation and amortization EUR -0.3 million, Finance income and expenses EUR -0.6 million, Operating profit EUR 6.7 million and Profit for the period EUR 4.8 million.

Excluding IFRS 16 the comparable figures in 1–6/2019 were: Other operating expenses EUR -9.2 million, Depreciation and amortization EUR -0.6 million, Finance income and expenses EUR -1.1 million, Operating profit EUR 11.4 million and Profit for the period EUR 8.0 million.



**Consolidated balance sheet**

EUR million	Jun 30, 2019*	Jun 30, 2018	Dec 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1.3	1.1	1.1
Goodwill	13.6	13.6	13.6
Property, plant and equipment	2.1	1.6	1.8
Lease assets	39.6	-	-
Other receivables	0.1	0.1	0.1
Deferred tax assets	0.5	0.4	0.4
<b>Total non-current assets</b>	<b>57.2</b>	<b>16.6</b>	<b>16.9</b>
<b>Current assets</b>			
Inventories	79.2	61.7	71.0
Trade and other receivables	19.0	13.7	13.7
Derivative financial instruments	-	-	0.6
Cash and cash equivalents	3.0	13.7	12.8
<b>Total current assets</b>	<b>101.2</b>	<b>89.0</b>	<b>98.1</b>
<b>TOTAL ASSETS</b>	<b>158.4</b>	<b>105.7</b>	<b>115.0</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to owners of the Company</b>			
Share capital	0.1	0.1	0.1
Reserve for invested unrestricted equity	24.7	24.7	24.7
Translation differences	-0.1	-0.1	-0.0
Retained earnings	37.8	29.4	29.5
Profit for the period	7.8	5.1	14.6
<b>Total equity attributable to owners of the Company</b>	<b>70.4</b>	<b>59.2</b>	<b>68.9</b>
<b>Non-current liabilities</b>			
Borrowings	17.9	20.9	19.4
Lease liabilities	32.3	-	-
Other non-current liabilities	0.2	-	0.2
Provisions	0.4	0.4	0.4
<b>Total non-current liabilities</b>	<b>50.7</b>	<b>21.3</b>	<b>20.0</b>
<b>Current liabilities</b>			
Borrowings	3.0	3.0	3.0
Lease liabilities	7.6	-	-
Derivative financial instruments	0.1	0.4	-
Trade and other payables	23.8	19.3	20.7
Provisions	2.4	2.3	2.2
Current income tax liabilities	0.4	0.2	0.3
<b>Total current liabilities</b>	<b>37.3</b>	<b>25.2</b>	<b>26.1</b>
<b>Total liabilities</b>	<b>88.0</b>	<b>46.5</b>	<b>46.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>158.4</b>	<b>105.7</b>	<b>115.0</b>

\* Includes the effects of the adoption of IFRS 16 Leases standard on June 30, 2019. Excluding IFRS 16 effects, the comparable figures were on June 30, 2019: Non-current assets EUR 17.6 million, Non-current liabilities EUR 18.5 million, Current liabilities EUR 29.7 million and Balance sheet total EUR 118.7 million.

**Consolidated statement of changes in equity**

EUR million	Share capital	Reserve for invested unrestricted equity	Translation differences	Treasury shares	Retained earnings	Total equity
<b>Equity at Jan 1, 2019</b>	<b>0.1</b>	<b>24.7</b>	<b>-0.0</b>	<b>-</b>	<b>44.1</b>	<b>68.9</b>
Profit for the period					7.8	7.8
Other comprehensive income			-0.0			-0.0
<b>Total comprehensive income</b>			<b>-0.0</b>		<b>7.8</b>	<b>7.8</b>
Transactions with owners:						
Share-based payments					0.1	0.1
Dividends for owners					-6.4	-6.4
<b>Equity at Jun 30, 2019</b>	<b>0.1</b>	<b>24.7</b>	<b>-0.1</b>	<b>-</b>	<b>45.7</b>	<b>70.4</b>
<b>Equity at Jan 1, 2018</b>	<b>0.1</b>	<b>24.6</b>	<b>0.0</b>	<b>-8.1</b>	<b>42.3</b>	<b>58.9</b>
Profit for the period					5.1	5.1
Other comprehensive income			-0.1			-0.1
<b>Total comprehensive income</b>			<b>-0.1</b>		<b>5.1</b>	<b>5.0</b>
Transactions with owners:						
Cancellation of treasury shares		0.1		8.1	-8.2	-
Share-based payments					0.1	0.1
Dividends to shareholders					-4.8	-4.8
<b>Equity at Jun 30, 2018</b>	<b>0.1</b>	<b>24.7</b>	<b>-0.1</b>	<b>-</b>	<b>34.5</b>	<b>59.2</b>

**Consolidated statement of cash flows**

EUR million	4-6/ 2019*	4-6/ 2018	1-6/ 2019*	1-6/ 2018	1-12/ 2018
<b>Cash flows from operating activities</b>					
Profit for the period	4.7	2.1	7.8	5.1	14.6
Adjustments for:					
Depreciation and amortization	2.1	0.3	4.1	0.6	1.2
Finance income and costs	0.8	0.3	1.3	1.0	-0.4
Change in provisions	0.2	-0.1	0.2	0.1	-0.0
Write-down of inventories	-0.1	-0.1	-0.1	0.0	0.1
Income taxes	1.3	1.2	2.3	2.3	4.7
Other non-cash items	0.1	0.0	0.1	0.1	0.1
Changes in working capital:					
Change in trade receivables and other receivables	0.8	0.7	-5.4	-0.9	-0.9
Change in trade payables and other payables	1.3	3.1	3.1	3.8	5.1
Change in inventories	-9.0	-5.3	-8.5	-7.2	-16.3
Interests paid	-0.2	-0.3	-0.3	-0.4	-0.5
Other financial items, net	0.0	-0.0	-0.0	-0.1	-0.1
Income taxes paid	-1.0	-1.0	-2.2	-2.5	-4.9
<b>Net cash inflow (outflow) from operating activities</b>	<b>0.9</b>	<b>0.9</b>	<b>2.3</b>	<b>2.0</b>	<b>2.7</b>
<b>Cash flows from investing activities</b>					
Investments in property, plant and equipment	-0.4	-0.1	-0.6	-0.2	-0.7
Investments in intangible assets	-0.4	-0.1	-0.6	-0.2	-0.6
<b>Net cash inflow (outflow) from investing activities</b>	<b>-0.8</b>	<b>-0.2</b>	<b>-1.2</b>	<b>-0.4</b>	<b>-1.3</b>
<b>Cash flows from financing activities</b>					
Repayments of bank loans	-	-	-1.5	-1.5	-3.0
Repayments of lease liabilities	-1.7	-	-3.3	-	-
Dividends paid	-6.4	-4.8	-6.4	-4.8	-4.8
Other cash flows from financing activities	0.1	-	0.2	-	0.3
<b>Net cash inflow (outflow) from financing activities</b>	<b>-8.0</b>	<b>-4.8</b>	<b>-11.1</b>	<b>-6.3</b>	<b>-7.5</b>
<b>Net decrease/increase in cash and cash equivalents</b>	<b>-7.9</b>	<b>-4.1</b>	<b>-10.0</b>	<b>-4.7</b>	<b>-6.1</b>
Cash and cash equivalents at the beginning of the period	10.9	17.5	12.8	18.1	18.1
Effects of exchange rate changes on cash and cash equivalents	0.0	0.3	0.1	0.2	0.8
<b>Cash and cash equivalents at the end of period</b>	<b>3.0</b>	<b>13.7</b>	<b>3.0</b>	<b>13.7</b>	<b>12.8</b>

\* Includes the effects of the adoption of IFRS 16 Leases standard. Excluding IFRS 16 the comparable figures were: In 4-6/2019 Net cash inflow (outflow) from operating activities EUR -0.8 million and Net cash inflow (outflow) from financing activities EUR -6.3 million and in 1-6/2019 Net cash inflow (outflow) from operating activities EUR -1.0 million and Net cash inflow (outflow) from financing activities EUR -7.8 million.

## Earnings per share

	4-6/ 2019	4-6/ 2018	1-6/ 2019	1-6/ 2018	1-12/ 2018
Profit for the period attributable to Owners of the Company (EUR million)	4.7	2.1	7.8	5.1	14.6
Weighted average number of shares outstanding during the period, basic, in thousands of shares	40,017	39,987	40,005	39,987	39,987
<b>Earnings per share, basic (EUR)</b>	<b>0.12</b>	<b>0.05</b>	<b>0.20</b>	<b>0.13</b>	<b>0.37</b>
Impact of unregistered share issue on number of shares	-	-	14	-	9
Weighted average number of shares outstanding during the period, fully diluted, in thousands of shares	40,017	39,987	40,019	39,987	39,996
<b>Earnings per share, fully diluted (EUR)</b>	<b>0.12</b>	<b>0.05</b>	<b>0.20</b>	<b>0.13</b>	<b>0.37</b>

## Segments

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
<b>1-6/2019*</b>							
<b>Revenue</b>	<b>226.4</b>	<b>71.5</b>	<b>21.5</b>	<b>319.4</b>		<b>-19.2</b>	<b>300.2</b>
internal	0.0	18.0	1.2	19.2		-19.2	-0.0
external	226.4	53.5	20.3	300.3			300.3
sales of used cars	213.3	52.3	19.7	285.3			285.3
integrated services	13.2	1.3	0.6	15.0			15.0
<b>Gross profit</b>	<b>29.7</b>	<b>5.3</b>	<b>1.7</b>	<b>36.7</b>			<b>36.7</b>
<b>EBITDA</b>	<b>16.4</b>	<b>1.5</b>	<b>-0.3</b>	<b>17.6</b>	<b>-2.1</b>		<b>15.5</b>
Depreciation and amortization	-2.9	-0.9	-0.3	-4.1	-0.0		-4.1
<b>Operating profit</b>	<b>13.5</b>	<b>0.6</b>	<b>-0.7</b>	<b>13.4</b>	<b>-2.1</b>		<b>11.4</b>
Finance income and costs							-1.3
<b>Profit before income tax</b>							<b>10.1</b>

\* Includes the effects of IFRS 16 Leases -standard. Excluding IFRS 16 the comparable EBITDA, Depreciation and amortization and Operating profit in 1-6/2019 were as follows (EUR million):

EBITDA: Finland 14.0, Sweden 0.7, Germany -0.7 and Group 13.2.

Depreciation and amortization: Finland -1.7, Sweden -0.5, Germany -0.2 and Group -0.6.

Operating profit: Finland 13.5, Sweden 0.7, Germany -0.7 and Group 11.4.



EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
<b>1–6/2018</b>							
Revenue	206.1	47.4	13.6	267.1		-10.4	256.7
internal	0.0	9.6	0.8	10.4		-10.4	0.0
external	206.1	37.8	12.8	256.7			256.7
sales of used cars	194.9	36.8	12.5	244.2			244.2
integrated services	11.2	1.0	0.3	12.5			12.5
Gross profit	26.0	3.8	1.1	30.9			30.9
EBITDA	10.9	0.6	-0.6	10.9	-1.9		9.0
Depreciation and amortization	-0.5	-0.1	-0.1	-0.6	-0.0		-0.6
Operating profit	10.4	0.6	-0.7	10.3	-1.9		8.4
Finance income and costs							-1.0
Profit before income tax							7.4

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
<b>1–12/2018</b>							
Revenue	419.1	101.9	30.1	551.1		-23.3	527.8
internal	0.0	21.6	1.6	23.3		-23.3	-0.0
external	419.1	80.3	28.4	527.8			527.8
sales of used cars	395.0	78.0	27.7	500.8			500.8
integrated services	24.0	2.3	0.8	27.1			27.1
Gross profit	54.3	8.3	2.2	64.9			64.9
EBITDA	25.1	1.1	-1.7	24.5	-4.3		20.2
Depreciation and amortization	-1.0	-0.1	-0.1	-1.2	-0.0		-1.2
Operating profit	24.1	0.9	-1.8	23.2	-4.3		18.9
Finance income and costs							0.4
Profit before income tax							19.4

## Net working capital

EUR million	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
Inventories	79.2	61.7	71.0
Trade and other receivables	19.0	13.7	13.7
Trade and other payables	-23.8	-19.3	-20.7
Provisions	-2.7	-2.7	-2.5
Current income tax liabilities	-0.4	-0.2	-0.3
<b>Net working capital</b>	<b>71.3</b>	<b>53.2</b>	<b>61.2</b>

## Net debt

EUR million	Jun 30, 2019*	Jun 30, 2018	Dec 31, 2018
<b>Non-current interest-bearing liabilities</b>			
Bank loans	17.9	20.9	19.4
Lease liabilities	32.3	-	-
<b>Total non-current interest-bearing liabilities</b>	<b>50.2</b>	<b>20.9</b>	<b>19.4</b>
<b>Current interest-bearing liabilities</b>			
Bank loans	3.0	3.0	3.0
Lease liabilities	7.6	-	-
<b>Total current interest-bearing liabilities</b>	<b>10.6</b>	<b>3.0</b>	<b>3.0</b>
<b>Total interest-bearing liabilities</b>	<b>60.8</b>	<b>23.9</b>	<b>22.4</b>
Less cash and cash equivalents	-3.0	-13.7	-12.8
<b>Net debt</b>	<b>57.8</b>	<b>10.3</b>	<b>9.6</b>

\* Includes the effects of the adoption of IFRS 16 Leases standard on June 30, 2019. Excluding IFRS 16 effects the comparable Net debt on June 30, 2019 was EUR 18.0 million.

## Derivatives

EUR million	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
<b>Foreign currency derivatives</b>			
Fair value	-0.1	-0.4	0.6
Value of underlying instrument	35.5	24.3	29.2

## Lease agreements, lease obligations and other commitments

### Operating lease commitments

The future minimum lease payments under non-cancellable operating leases

EUR million	Jun 30, 2019*	Jun 30, 2018	Dec 31, 2018
No later than 1 year	0.4	8.0	9.4
Later than 1 year and no later than 5 years	0.7	15.9	20.8
Later than 5 years	-	1.6	2.6
<b>Total</b>	<b>1.1</b>	<b>25.5</b>	<b>32.8</b>

\* Due to the adoption of IFRS 16 the operating lease commitments on June 30, 2019 include only lease agreements not in the scope of IFRS 16.

**Loans against which guarantees and mortgages have been given**

EUR million	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
Loans	20.9	23.9	22.4
guarantees given against loans	104.0	104.0	104.0

**Other commitments**

EUR million	Jun 30, 2019	Jun 30, 2018	Dec 31, 2018
Rent and other payment guarantees	0.5	0.3	0.4

On January 1 2019, Kamux adopted IFRS 16 Leases standard. The following tables include additional information on IFRS 16 effects at the adoption date and during the reporting period.

**Reconciliation of lease obligations and present value of minimum lease payments in accordance with IFRS 16**

EUR million	
The future minimum lease payments under non-cancellable operating leases on December 31, 2018	32.8
Estimate of the lease period under IFRS 16	14.6
Discounting of future lease payments	-1.5
VAT	-6.1
Service components included into agreements	-1.1
Short-term leases	-0.4
Other items	-0.1
<b>Lease liability under IFRS 16 recognized into balance sheet on January 1, 2019</b>	<b>38.3</b>

**Changes of lease agreements in the balance sheet**

EUR million	Lease assets	Lease liabilities
Jan 1, 2019	38.3	38.3
Increases	5.2	5.2
Depreciation	-3.5	-
Exchange rate differences and other changes	-0.3	-0.4
Interest expenses	-	-0.2
Repayments of lease liability	-	-3.2
<b>Jun 30, 2019</b>	<b>39.6</b>	<b>39.9</b>

**Changes of lease agreements in the statement of comprehensive income**

EUR million	4–6/2019	1–6/2019
Depreciation of lease assets	-1.8	-3.5
Interest cost from lease liabilities	-0.1	-0.2
Costs from short-term leases	-0.1	-0.2
Costs from service components included in lease agreements	-0.1	-0.2
<b>Total expense in the statement of comprehensive income</b>	<b>-2.0</b>	<b>-4.1</b>

**Related party transactions**

EUR million	4-6/2019	4-6/2018	1-6/2019	1-6/2018	1-12/2018
Sales of used cars	-	0.1	-	0.1	0.1
Purchases of used cars	-0.0	-	-0.0	-0.0	-0.1
Rental expenses	-	-0.1	-	-0.3	-0.5
Consulting expenses	-0.0	-0.0	-0.1	-0.1	-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. As from January 1 2019, these lease agreements are treated in accordance with IFRS 16. At the end of the reporting period, the Group's lease liabilities to related party amounted to EUR 4.2 million. Consulting expenses comprise consultancy fees paid to Virtanen Consulting GmbH, controlled by Matti Virtanen. The fees are related to the Group's geographical expansion.

On March 1, 2019, the company issued a total of 14,721 new shares in a share issue without consideration directed to members of the company's management for payment of share-based incentive scheme of 2018. The shares were registered in the Finnish Trade Register on March 14, 2019.

## Publication schedule for financial reporting in 2019

Publication schedule for Kamux Corporation's financial reporting in 2019:

November 8, 2019: Kamux Corporation will publish its Interim Report for January–September 2019.

### Half Year Financial Report press conference and webcast

Kamux will hold a Half Year Financial Report press conference for media and analysts today, August 23, 2019 at hotel GLO Kluuvi, Video Wall meeting room, address Kluuvikatu 4, Helsinki, at 11:00 (Finnish time) in Finnish and then in English at around 11:30. You can follow the press conference live through a link at <http://www.kamux.com/en/releases-and-publications/reports-and-presentations/>. The Half Year Financial Report will be presented by CEO Juha Kalliokoski and CFO Marko Lehtonen.

In Hämeenlinna on August 23, 2019

Kamux Corporation

The Board of Directors

### For more information:

Juha Kalliokoski, CEO

Tel. +358 50 544 5538

Marko Lehtonen, CFO

Tel. +358 50 575 2006

Satu Ojala, Director of Communications

Tel. +358 400 629 337