

# INTERIM REPORT

## January–September

### 2019



Kamux Corporation

Interim Report

November 8, 2019 at 09:00

Kamux Corporation's Interim Report for January 1 – September 30, 2019

**Kamux continued its strong and profitable growth: Revenue increased by 30.6% and adjusted operating profit by 29.0%***The figures in parenthesis refer to the comparison period, i.e. the same period in the previous year, unless stated otherwise.***July–September in brief**

- Revenue increased by 30.6%, totaling EUR 182.8 million (140.0)
- Gross profit increased by 27.1% to EUR 22.8 million (18.0), or 12.5% (12.8) of revenue
- Adjusted operating profit (EBIT) increased by 29.0% to EUR 8.6 million (6.6), or 4.7% (4.7) of revenue
- Operating profit (EBIT) increased by 30.0% to EUR 8.6 million (6.6), or 4.7% (4.7) of revenue
- The number of cars sold increased by 22.6% to 15,409 cars (12,564)
- Like-for-like showroom revenue growth was 9.6% (4.2)
- Earnings per share were EUR 0.16 (0.16)

**January–September in brief**

- Revenue increased by 21.8%, totaling EUR 483.1 million (396.7)
- Gross profit increased by 21.9% to EUR 59.6 million (48.9), or 12.3% (12.3) of revenue
- Adjusted operating profit (EBIT) increased by 13.9% to EUR 20.0 million (17.5), or 4.1% (4.4) of revenue
- Operating profit (EBIT) increased by 33.0% to EUR 20.0 million (15.0), or 4.1% (3.8) of revenue
- The number of cars sold increased by 16.0% to 41,037 cars (35,376)
- Like-for-like showroom revenue growth was 2.8% (7.3)
- Earnings per share were EUR 0.36 (0.28)

**CEO Juha Kalliokoski:**

“During the third quarter, Kamux’s revenue and operating profit increased hand in hand. Our revenue increased by 30.6%, totaling EUR 182.8 million. Our adjusted operating profit increased by 29.0%, totaling EUR 8.6 million. We succeeded particularly well in inventory management and efficient sales management.

During the third quarter, our revenue increased strongly in all of our operating countries. Our operating profit margin improved in Finland and in Germany compared to the last year. In Sweden, the operating profit margin was slightly under last year’s level, and we shall focus in particular on improving profitability in Sweden.

Despite the social debate, people’s need for mobility remains unchanged, and Kamux has been able to respond to customer needs well even in the current situation. We have focused on the systematic implementation of Kamux’s operating model during a time when the car market is influenced by factors such as technology change, power source and climate debate as well as possible new car-related tax policies.

Unlike traditional brick and mortar retail, Kamux’s business model has been digital from the beginning, and the role of digital in the company will increase further. A total of 800,000 visits are made to Kamux’s Finnish, Swedish and German websites each month, and we have a presence in ten digital marketing channels, in addition to our 71 showrooms. Majority of our customers choose to interact with us both online and in the showroom. Cross-selling, i.e. a customer purchase

process that takes place in a digital environment via the website, chat service and phone, already accounts for 30% of sales in Finland and 26% of the Group's sales.

The fresh inventory at the end of the third quarter creates a good foundation for the rest of the year. However, unlike usually in retail, car sales do not peak during the Christmas sales season. Historically, compared to the third quarter the final quarter of the year has been more modest in terms of sales.

In October, Kamux appointed Olli Kilpi as the company's Chief People Officer and Ilkka Virtanen as Director of International Business. With the appointments to the Management Team, we wanted to ensure that these senior executives, who have already done an excellent job as members of Kamux's Management Team, will be broadening their management perspectives as well as strengthening their competence and focusing their expertise on functions that are important to the future of the company."

### Outlook and financial targets

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

### Key figures

EUR million	7–9/ 2019**	7–9/ 2018	Change, %	1–9/ 2019**	1–9/ 2018	Change, %	1–12/ 2018
Revenue	182.8	140.0	30.6%	483.1	396.7	21.8%	527.8
Gross profit	22.8	18.0	27.1%	59.6	48.9	21.9%	64.9
as percentage of revenue, %	12.5%	12.8%		12.3%	12.3%		12.3%
Operating profit (EBIT)	8.6	6.6	30.0%	20.0	15.0	33.0%	18.9
as percentage of revenue, %	4.7%	4.7%		4.1%	3.8%		3.6%
Adjusted operating profit*	8.6	6.6	29.0%	20.0	17.5	13.9%	21.9
as percentage of revenue, %	4.7%	4.7%		4.1%	4.4%		4.1%
Revenue from integrated services	8.6	6.8	26.6%	23.5	19.3	22.2%	27.1
as percentage of revenue, %	4.7%	4.8%		4.9%	4.9%		5.1%
Number of cars sold	15,409	12,564	22.6%	41,037	35,376	16.0%	46,596
Gross profit per sold car, EUR	1,482	1,431	3.6%	1,452	1,382	5.1%	1,392
Sales growth of like-for-like showrooms, %	9.6%	4.2%		2.8%	7.3%		5.6%
Net debt				39.9	4.3	828.5%	9.6
Inventories				76.1	66.4	14.7%	71.0
Inventory turnover, days				48.2	49.1	-1.8%	49.6
Capital expenditures	0.6	0.2	272.5%	1.8	0.6	208.3%	1.3
Average number of employees during the period				579	456	27.0%	472
Return on equity (ROE), %				24.9%	21.7%		22.9%
Return on investment (ROI), %				16.9%	15.7%		16.2%
Equity ratio, %				44.8%	56.4%		60.0%
Earnings per share, basic, EUR	0.16	0.16	5.6%	0.36	0.28	27.4%	0.37

\* Operating profit adjusted for special items related to strategy planning, geographical expansion and during the comparative year also taxes from previous financial years. During the third quarter of 2019 there were no special items. During 1–9/2019 special items totaled EUR 0.0 million (7–9/2018: EUR 0.0 million, 1–9/2018: EUR 2.5 million and 1–12/2018: EUR 3.0 million).

\*\* Key figures 1–9/2019 and 7–9/2019 include the effects of the adoption of IFRS 16 Leases standard. Excluding the effects of IFRS 16, the comparable figures in 1–9/2019 were: Operating profit (EBIT) EUR 19.8 million, Adjusted

operating profit EUR 19.9 million, Net debt EUR 0.4 million, Return on equity (ROE) 25.1%, Return on investment (ROI) 21.1% and Equity ratio 58.3% and 7–9/2019 Operating profit (EBIT) EUR 8.4 million and Adjusted operating profit EUR 8.4 million.

## Market review

The car market is impacted, among others, by technology change, power source and emissions and climate debate, as well as possible changes in car-related tax policies. These have affected especially the new car markets and are also partly reflected in used car sales, driven by consumer uncertainty. In January–September 2019, new car registrations declined -1,6% (source: ACEA) in the European Union region compared to the last year, and in Finland -10,0% (The Finnish Information Centre of Automobile Sector). Historically, there have been large yearly fluctuations in new car registrations due to e.g. economic cycles and taxation changes. Used car market is more stable and market changes are smaller than in the new car market. During the last ten years, passenger vehicle fleet in Finland, Sweden and Germany has been increasing. Therefore, new mobility services, like car sharing, are not reflected in number of cars.

Kamux has been able to further strengthen its market position in all its markets. According to the company's estimate, the used car market increased slightly in Finland during the third quarter, contrary to the decrease of the used car market in Sweden. The company estimates that it has strengthened its position among the ten largest used car retailers in Sweden. Kamux estimates that its share of the used car market in Germany increased during the third quarter. It is, however, still marginal. According to Kamux's estimate, Germany's used car market increased slightly during the third 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 three operating countries totals approximately 9 million sold cars annually, which is more than EUR 100 billion.

## Revenue in July–September 2019

Revenue increased by 30.6% compared to the corresponding period of the previous year and amounted to EUR 182.8 million (140.0). 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 8.6 million (6.8), or 4.7% (4.8) of total revenue.

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 22.6% compared to the corresponding period of the previous year and amounted to 15,409 cars (12,564). Revenue per sold car amounted to EUR 11,864 (11,144).

## Revenue in January–September 2019

Revenue increased by 21.8% compared to the corresponding period of the previous year and amounted to EUR 483.1 million (396.7). Kamux's integrated services revenue increased to EUR 23.5 million (19.3), or 4.9% (4.9) of total revenue.

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 16.0% compared to the corresponding period of the previous year and amounted to 41,037 cars (35,376). Revenue per sold car amounted to EUR 11,771 (11,213).

## Revenue allocation

EUR million	7–9/2019	7–9/2018	1–9/2019	1–9/2018	1–12/2018
Sales of used cars	174.2	133.3	459.5	377.4	500.8
Financing fees and Insurance commissions	7.2	5.6	19.7	16.1	22.7
Sales of Kamux Plus	1.3	1.1	3.9	3.1	4.3
<b>Total</b>	<b>182.8</b>	<b>140.0</b>	<b>483.1</b>	<b>396.7</b>	<b>527.8</b>

## Result in July–September 2019

Gross profit increased by 27.1% compared to the corresponding period of the previous year and amounted to EUR 22.8 million (18.0). 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 decreased by -0.3 percentage points to 12.5% (12.8).

The adjusted operating profit increased by 29.0% and amounted to EUR 8.6 million (6.6). The adjusted operating profit as percentage of revenue was 4.7% (4.7). The adjusted operating profit has been adjusted for special items related to strategic planning, 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 third quarter of 2019 (0.0).

Kamux's operating profit (EBIT) increased by 30.0% compared to the previous year, amounting to EUR 8.6 million (6.6). Excluding the effect of IFRS 16 the operating profit increased by 27.9% and amounted to EUR 8.4 million (6.6).

The profit before taxes for the third quarter amounted to EUR 8.4 million (7.8). By comparable figures without the effect of IFRS 16, the profit before taxes amounted to EUR 8.3 million (7.8).

Earnings per share amounted to EUR 0.16 (0.16). During the comparative period Earnings per share was affected by a finance income of EUR 0.8 million, originated from exchange rate hedging.

## Result in January–September 2019

Gross profit increased by 21.9% compared to the corresponding period of the previous year and amounted to EUR 59.6 million (48.9). Gross profit as percentage of revenue was at previous year's level, amounting to 12.3% (12.3).

The adjusted operating profit increased by 13.9% and amounted to EUR 20.0 million (17.5). The adjusted operating profit as percentage of revenue was 4.1% (4.4). The items adjusting the operating profit totaled EUR 0.0 million (2.5) in January–September. During the comparison period, the adjustment items included expenses of EUR 2.5 million related to taxes from previous financial years.

Kamux's operating profit (EBIT) increased by 33.0% compared to the previous year, amounting to EUR 20.0 million (15.0). Excluding the effect of IFRS 16, the operating profit increased by 32.2% and amounted to EUR 19.8 million (15.0).

The profit before taxes for January–September amounted to EUR 18.5 million (15.2). By comparable figures without the effect of IFRS 16, the profit before taxes amounted to EUR 18.7 million (15.2). Earnings per share amounted to EUR 0.36 (0.28).

**Key figures of the business segments**

EUR million	7-9/ 2019	7-9/ 2018	Change, %	1-9/ 2019	1-9/ 2018	Change, %	1-12/ 2018
<b>Revenue</b>							
Finland	138.6	110.7	25.2%	365.0	316.8	15.2%	419.1
Sweden	42.8	27.5	55.4%	114.3	74.9	52.5%	101.9
Germany	14.6	8.3	74.5%	36.0	21.9	64.5%	30.1
<b>Segments total</b>	<b>195.9</b>	<b>146.6</b>	<b>33.7%</b>	<b>515.3</b>	<b>413.7</b>	<b>24.6%</b>	<b>551.1</b>
Group functions and eliminations	-13.1	-6.6	-99.8%	-32.3	-17.0	-90.2%	-23.3
<b>Total</b>	<b>182.8</b>	<b>140.0</b>	<b>30.6%</b>	<b>483.1</b>	<b>396.7</b>	<b>21.8%</b>	<b>527.8</b>
<b>Gross Profit</b>							
Finland	18.7	14.9	25.2%	48.4	40.9	18.3%	54.3
Sweden	3.0	2.4	25.7%	8.3	6.2	33.4%	8.3
Germany	1.2	0.7	74.8%	2.9	1.8	63.0%	2.2
<b>Segments total</b>	<b>22.8</b>	<b>18.0</b>	<b>27.1%</b>	<b>59.6</b>	<b>48.9</b>	<b>21.9%</b>	<b>64.9</b>
Group functions and eliminations	-	-	-	-	-	-	-
<b>Total</b>	<b>22.8</b>	<b>18.0</b>	<b>27.1%</b>	<b>59.6</b>	<b>48.9</b>	<b>21.9%</b>	<b>64.9</b>
<b>Gross profit, as percentage of revenue, %</b>							
Finland	13.5%	13.5%		13.3%	12.9%		13.0%
Sweden	7.1%	8.8%		7.3%	8.3%		8.2%
Germany	7.9%	7.9%		8.0%	8.0%		7.3%
<b>Segments total</b>	<b>11.7%</b>	<b>12.3%</b>		<b>11.6%</b>	<b>11.8%</b>		<b>11.8%</b>
Group functions and eliminations	-	-		-	-		-
<b>Total</b>	<b>12.5%</b>	<b>12.8%</b>		<b>12.3%</b>	<b>12.3%</b>		<b>12.3%</b>
<b>Operating profit</b>							
Finland	9.5	7.5	27.6%	23.0	17.9	28.6%	24.1
Sweden	0.5	0.5	-9.3%	1.1	1.1	-0.8%	0.9
Germany	-0.3	-0.3	8.8%	-1.0	-1.0	2.6%	-1.8
<b>Segments total</b>	<b>9.7</b>	<b>7.6</b>	<b>26.7%</b>	<b>23.1</b>	<b>18.0</b>	<b>28.6%</b>	<b>23.2</b>
Group functions and eliminations	-1.1	-1.0	-6.0%	-3.2	-3.0	-6.4%	-4.3
<b>Total</b>	<b>8.6</b>	<b>6.6</b>	<b>30.0%</b>	<b>20.0</b>	<b>15.0</b>	<b>33.0%</b>	<b>18.9</b>
<b>Operating profit, as percentage of revenue, %</b>							
Finland	6.9%	6.7%		6.3%	5.6%		5.8%
Sweden	1.1%	1.9%		1.0%	1.5%		0.9%
Germany	-2.2%	-4.2%		-2.8%	-4.7%		-6.1%
<b>Segments total</b>	<b>4.9%</b>	<b>5.2%</b>		<b>4.5%</b>	<b>4.3%</b>		<b>4.2%</b>
Group functions and eliminations	-	-		-	-		-
<b>Total</b>	<b>4.7%</b>	<b>4.7%</b>		<b>4.1%</b>	<b>3.8%</b>		<b>3.6%</b>

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

percentage, %	7-9/2019	7-9/2018	1-9/2019	1-9/2018	1-12/2018
<b>Financing services</b>					
Finland	47	46	48	47	46
Sweden	46	45	46	46	46
Germany	22	23	22	21	21
<b>Insurance services</b>					
Finland	50	46	49	46	45
Sweden	90	93	91	92	91
<b>Kamux Plus</b>					
Finland	19	19	19	19	19
Sweden	20	25	22	27	26

#### Finland in July–September 2019

Revenue increased by 25.2% compared to the corresponding period of the previous year, amounting to EUR 138.6 million (110.7). The number of cars sold increased by 1,885, or 18.3% compared to the third quarter of the previous year, amounting to 12,213 cars (10,328). The growth was driven by sales growth in like-for-like showrooms as well as new showrooms.

Integrated services revenue increased to EUR 7.4 million (6.0), or 5.3% (5.4) of revenue. Operating profit increased by 27.6% compared to the corresponding period of the previous year, amounting to EUR 9.5 million (7.5), or 6.9% (6.7) of revenue. By comparable figures without the effect of IFRS 16, the operating profit amounted to EUR 9.4 million (7.5).

#### Finland in January–September 2019

Revenue increased by 15.2% compared to the corresponding period of the previous year, amounting to EUR 365.0 million (316.8). The number of cars sold during January–September increased by 3,365, or 11.5% compared to the corresponding period of the previous year, amounting to 32,516 cars (29,151).

Integrated services revenue increased to EUR 20.6 million (17.2), or 5.6% (5.4) of revenue during January–September. Operating profit increased by 28.6% compared to the corresponding period of the previous year, amounting to EUR 23.0 million (17.9), or 6.3% (5.6) of revenue. Finland's operating profit in the comparison period was impacted by EUR 2.5 million expenses of special items related to taxes from previous financial years. By comparable figures without the effect of IFRS 16, the operating profit amounted to EUR 22.9 million (17.9).

#### Sweden in July–September 2019

Total revenue increased by 55.4% compared to the corresponding period of the previous year, amounting to EUR 42.8 million (27.5). External revenue increased by 40.5%, amounting to EUR 30.1 million (21.4). The number of cars sold during the third quarter increased by 512, or 31.6% compared to the third quarter of the previous year, amounting to 2,132 cars (1,620). The growth was driven by the sales of new showrooms and the sales growth of like-for-like showrooms.

Revenue of the integrated services increased to EUR 0.7 million (0.5), or 2.3% (2.5) of external revenue. Operating profit was at previous year's level, amounting to EUR 0.5 million (0.5), or 1.1%

(1.9) of total revenue. Relative profitability of total revenue decreased due to the average price of cars increasing, and the relative share of integrated services of revenue decreased. Additionally, the 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–September 2019

Total revenue increased by 52.5% compared to the corresponding period of the previous year, amounting to EUR 114.3 million (74.9). External revenue increased by 41.1%, amounting to EUR 83.6 million (59.2). The number of cars sold during January–September increased by 1,263, or 27.4% compared to the corresponding period of the previous year, amounting to 5,878 cars (4,615).

Integrated services revenue increased to EUR 2.0 million (1.6), or 2.3% (2.7) of external revenue during January–September. Operating profit was at previous year's level, amounting to EUR 1.1 million (1.1), or 1.0% (1.5) of total revenue. IFRS 16 had no material effect on operating profit.

### Germany in July–September 2019

Total revenue increased by 74.5% compared to the corresponding period of the previous year, amounting to EUR 14.6 million (8.3). External revenue increased by 79.0%, amounting to EUR 14.1 million (7.9). The number of cars sold during the third quarter increased by 448, or 72.7% compared to the third quarter of the previous year, amounting to 1,064 cars (616). The growth was driven by sales growth in like-for-like showrooms as well as new showrooms. In September, Kamux opened new showrooms in Stade and Heide and announced the opening of a new showroom in Kaltenkirchen.

Integrated services revenue increased to EUR 0.5 million (0.2), or 3.3% (2.6) of external revenue. Operating loss was at previous year's level, amounting to EUR -0.3 million (-0.3), or -2.2% (-4.2) of total revenue. IFRS 16 had no material effect on operating loss.

### Germany in January–September 2019

Total revenue increased by 64.5% compared to the corresponding period of the previous year, amounting to EUR 36.0 million (21.9). External revenue increased by 66.7%, amounting to EUR 34.4 million (20.6). The number of cars sold during January–September increased by 1,033, or 64.2% compared to the corresponding period of the previous year, amounting to 2,643 cars (1,610).

Integrated services revenue increased to EUR 1.0 million (0.5) during January–September, or 2.9% (2.4) of the external revenue. Operating loss was at previous year's level, amounting to EUR -1.0 million (-1.0), or -2.8% (-4.7) of total revenue. By comparable figures without IFRS 16 effect, the operating loss amounted to EUR -1.1 million (-1.0).

### Consolidated balance sheet and financial position

As of September 30, 2019, the consolidated balance sheet total was EUR 172.0 million (116.5), of which total equity amounted to EUR 77.0 million (65.5). Comparable consolidated balance sheet total without the effect of IFRS 16 amounted to EUR 132.7 million (116.5). Net debt amounted to EUR 39.9 million (4.3). Comparable net debt without the effect of IFRS 16 amounted to EUR 0.4 million (4.3). Non-current bank loans amounted to EUR 16.4 million (19.4).

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 19.4 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 60.2 million (53.1) as of September 30, 2019. The value of the inventory was EUR 76.1 million (66.4).

Kamux's cash flow from operating activities for January–September amounted to EUR 21.8 million (7.5). Comparable cash flow from operating activities without the effect of IFRS 16 amounted to EUR 16.7 million (7.5). 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 19.1 million (18.1).

Equity ratio at the end of the review period was 44.8% (56.4). Return on capital employed (ROI) was 16.9% (15.7) and return on equity (ROE) was 24.9% (21.7). Due to the effect of IFRS 16, return on capital employed increased less than it would have increased without the effect of IFRS 16. The decrease in equity ratio was caused by growth in the consolidated balance sheet total resulting from the adoption of the IFRS 16. In comparable terms without the effect of IFRS 16, equity ratio amounted to 58.3% (56.4), ROI amounted to 21.1% (15.7) and ROE amounted to 25.1% (21.7) 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–September amounted to EUR 1.8 million (0.6) and the capital expenditure level will remain higher than in the previous year for at least one 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–September, Kamux's average number of employees amounted to 579 (456) in terms of full-time employees. Recruitment of new personnel is continued to support Kamux's growth.

### Average number of employees by segment

	1–9/2019	1–9/2018	1–12/2018
Finland	416	349	362
Sweden	118	78	80
Germany	45	30	30
<b>Total</b>	<b>579</b>	<b>456</b>	<b>472</b>

### Kamux's share and shareholders

Kamux's largest shareholders as of September 30, 2019 were Intera Fund II Ky (29.4%), Juha Kalliokoski including both the shares owned by Juha Kalliokoski and by an investment company

controlled by closely associated persons to Juha Kalliokoski (15.0%), and Elo Mutual Pension Insurance Company (8.2%).

During January–September, 6,681,205 (950,664) 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 4.50 (5.60). The closing share price on September 30, 2019 was EUR 5.36 (6.60). Kamux's volume weighted average share price during January–September was EUR 5.45 (6.71). Market capitalization, excluding treasury shares, measured at the review period's closing price was EUR 214.5 million (263.9).

Kamux's share capital amounted to EUR 80,000 on September 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. On September 18, 2019, a total of 1,345 shares of these new shares were returned to the company without consideration due to the termination of employment of key persons. At the end of the review period, the Company held 1,345 treasury shares, representing 0.0% of all shares.

### **Management and Corporate Governance**

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

After the review period on October 7, 2019, Kamux announced new appointments in the Management Team. Mr. Olli Kilpi (M.Sc.Econ., b.1966) was appointed Chief People Officer and Member of Kamux's Management Team. Kilpi had previously worked as Kamux's Director of International Business and Member of the Management Team. Mr. Ilkka Virtanen (M.Sc.Econ., b. 1980) was appointed Director of International Business and Member of Kamux's Management Team. Virtanen had previously worked as Kamux's Director of Business Development and Member of the Management Team. Both appointments were effective immediately.

### *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 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–September 2019, the total effect of the schemes on the consolidated income was EUR -0.2 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 annual financial targets are to increase revenue by over 10% and to reach an EBIT margin of at least 4% and a dividend payout of at least 30% of profit for the year.

## Flagging notices

During the third quarter of 2019, the company received notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act as follows:

On August 29, 2019, Juha Kalliokoski and Callardo Capital Oy, a company controlled by closely associated persons to Juha Kalliokoski, announced that the total holdings of shares and voices of Juha Kalliokoski and Callardo Capital Oy in Kamux Corporation has exceeded the 15 percent flagging threshold.

## Tax reassessment decision

In June 2018, Kamux announced that it had received a tax reassessment decision from the Finnish Tax Administration. The decision was related to a tax audit carried out by the Finnish Tax Administration in 2016–2018 concerning Kamux Suomi Oy and the tax years 2012–2016. Kamux expensed the total amount of the tax reassessment decision, approximately EUR 2.6 million, in full in its result for the second quarter of 2018. However, Kamux 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 October 2, 2019, Kamux announced the opening of a new showroom in Sundsvall during the second quarter of 2020. Sundsvall's showroom will replace the previously announced Göteborg showroom.

On October 7, 2019, Kamux appointed Mr. Olli Kilpi (M.Sc. Econ., b.1966) as Chief People Officer and Member of the Management Team and Mr. Ilkka Virtanen (M.Sc. Econ., b. 1980) as Director of International Business and Member of Kamux's Management Team. Both appointments were effective immediately.

On October 18, 2019, Kamux's showroom in Halmstad, Sweden was opened.

On October 24, 2019, Kamux announced expanding to commercial vehicles in Joensuu in December.

### Calculation of key figures and alternative performance measures

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

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

### Reconciliation of adjusted operating profit

EUR million	7–9/2019	7–9/2018	1–9/2019	1–9/2018	1–12/2018
<b>Operating profit (EBIT)</b>	<b>8.6</b>	<b>6.6</b>	<b>20.0</b>	<b>15.0</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	-	0.0	-	2.5	2.5
<b>Total adjustment items</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>2.5</b>	<b>3.0</b>
<b>Adjusted operating profit</b>	<b>8.6</b>	<b>6.6</b>	<b>20.0</b>	<b>17.5</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 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 Interim Report for January–September 2019

### Key accounting policies

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

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

The Interim 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	7–9/2019*	7–9/2018	1–9/2019*	1–9/2018	1–12/2018
<b>Revenue</b>	<b>182.8</b>	<b>140.0</b>	<b>483.1</b>	<b>396.7</b>	<b>527.8</b>
Other operating income	0.2	0.1	0.5	0.6	0.9
Materials and services	-160.2	-122.2	-424.0	-348.4	-463.8
Personnel costs	-9.5	-7.3	-25.1	-20.0	-26.8
Other operating expenses	-2.7	-3.8	-8.3	-12.9	-17.9
Depreciation and amortization	-2.0	-0.3	-6.2	-0.9	-1.2
<b>Operating profit</b>	<b>8.6</b>	<b>6.6</b>	<b>20.0</b>	<b>15.0</b>	<b>18.9</b>
Finance income and costs	-0.2	1.2	-1.5	0.2	0.4
<b>Profit before income tax</b>	<b>8.4</b>	<b>7.8</b>	<b>18.5</b>	<b>15.2</b>	<b>19.4</b>
Income tax	-1.8	-1.6	-4.1	-3.9	-4.7
<b>Profit for the period</b>	<b>6.6</b>	<b>6.2</b>	<b>14.4</b>	<b>11.3</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	-0.1	-0.1	-0.1
<b>Other comprehensive income for the period, net of tax</b>	<b>-0.0</b>	<b>0.0</b>	<b>-0.1</b>	<b>-0.1</b>	<b>-0.1</b>
<b>Total comprehensive income for the period</b>	<b>6.5</b>	<b>6.2</b>	<b>14.4</b>	<b>11.2</b>	<b>14.6</b>
Profit for the period attributable to					
owners of the Company	6.6	6.2	14.4	11.3	14.6
Total comprehensive income for the period attributable to					
owners of the Company	6.5	6.2	14.4	11.2	14.6
Earnings per share for profit attributable to owners of the Company					
Earnings per share, basic and diluted, EUR	0.16	0.16	0.36	0.28	0.37

\* Includes the effects of the adoption of IFRS 16 Leases standard. Excluding IFRS 16 the comparable figures in 7–9/2019 were: Other operating expenses EUR -4.6 million, Depreciation and amortization EUR -0.3 million, Finance income and expenses EUR -0.1 million, Operating profit EUR 8.4 million and Profit for the period EUR 6.6 million.

Excluding IFRS 16 the comparable figures in 1–9/2019 were: Other operating expenses EUR -13.7 million, Depreciation and amortization EUR -0.9 million, Finance income and expenses EUR -1.2 million, Operating profit EUR 19.8 million and Profit for the period EUR 14.6 million.

**Consolidated balance sheet**

EUR million	Sep 30, 2019*	Sep 30, 2018	Dec 31, 2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible assets	1.6	1.0	1.1
Goodwill	13.6	13.6	13.6
Property, plant and equipment	2.1	1.5	1.8
Lease assets	39.4	-	-
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>16.5</b>	<b>16.9</b>
<b>Current assets</b>			
Inventories	76.1	66.4	71.0
Trade and other receivables	19.6	15.0	13.7
Derivative financial instruments	-	0.4	0.6
Cash and cash equivalents	19.1	18.1	12.8
<b>Total current assets</b>	<b>114.8</b>	<b>99.9</b>	<b>98.1</b>
<b>TOTAL ASSETS</b>	<b>172.0</b>	<b>116.5</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	-0.0	-0.0
Retained earnings	37.9	29.4	29.5
Profit for the period	14.4	11.3	14.6
<b>Total equity attributable to owners of the Company</b>	<b>77.0</b>	<b>65.5</b>	<b>68.9</b>
<b>Non-current liabilities</b>			
Borrowings	16.4	19.4	19.4
Lease liabilities	32.0	-	-
Other non-current liabilities	0.2	0.3	0.2
Provisions	0.4	0.4	0.4
<b>Total non-current liabilities</b>	<b>48.9</b>	<b>20.1</b>	<b>20.0</b>
<b>Current liabilities</b>			
Borrowings	3.0	3.0	3.0
Lease liabilities	7.6	-	-
Derivative financial instruments	0.4	-	-
Trade and other payables	31.5	24.9	20.7
Provisions	2.7	2.3	2.2
Current income tax liabilities	0.9	0.7	0.3
<b>Total current liabilities</b>	<b>46.1</b>	<b>30.9</b>	<b>26.1</b>
<b>Total liabilities</b>	<b>95.0</b>	<b>51.0</b>	<b>46.1</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>172.0</b>	<b>116.5</b>	<b>115.0</b>

\* Includes the effects of the adoption of IFRS 16 Leases standard on September 30, 2019. Excluding IFRS 16, the comparable figures were on September 30, 2019: Non-current assets EUR 17.9 million, Non-current liabilities EUR 17.0 million, Current liabilities EUR 38.6 million and Balance sheet total EUR 132.7 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>	0.1	24.7	-0.0	-	44.1	68.9
Profit for the period					14.4	14.4
Other comprehensive income			-0.1			-0.1
<b>Total comprehensive income</b>			-0.1		14.4	14.4
Transactions with owners:						
Share-based payments					0.2	0.2
Dividends for owners					-6.4	-6.4
<b>Equity at Sep 30, 2019</b>	0.1	24.7	-0.1	-	52.3	77.0
<b>Equity at Jan 1, 2018</b>	0.1	24.6	0.0	-8.1	42.3	58.9
Profit for the period					11.3	11.3
Other comprehensive income			-0.1			-0.1
<b>Total comprehensive income</b>			-0.1		11.3	11.2
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 Sep 30, 2018</b>	0.1	24.7	-0.0	-	40.7	65.5

**Consolidated statement of cash flows**

EUR million	7-9/ 2019*	7-9/ 2018	1-9/ 2019	1-9/ 2018	1-12/ 2018
<b>Cash flows from operating activities</b>					
Profit for the period	6.6	6.2	14.4	11.3	14.6
Adjustments for:					
Depreciation and amortization	2.0	0.3	6.2	0.9	1.2
Finance income and costs	0.2	-1.2	1.5	-0.2	-0.4
Change in provisions	0.3	-0.0	0.5	0.1	-0.0
Write-down of inventories	-0.1	-0.0	-0.2	-0.0	0.1
Income taxes	1.8	1.6	4.1	3.9	4.7
Other non-cash items	-0.1	0.0	0.0	0.1	0.1
Changes in working capital:					
Change in trade receivables and other receivables	-0.5	-1.3	-5.9	-2.2	-0.9
Change in trade payables and other payables	7.7	5.7	10.8	9.5	5.1
Change in inventories	3.0	-4.5	-5.5	-11.6	-16.3
Interests paid	-0.2	-0.1	-0.5	-0.4	-0.5
Other financial items, net	-0.0	-0.0	-0.1	-0.1	-0.1
Income taxes paid	-1.3	-1.2	-3.5	-3.7	-4.9
<b>Net cash inflow (outflow) from operating activities</b>	<b>19.4</b>	<b>5.5</b>	<b>21.8</b>	<b>7.5</b>	<b>2.7</b>
<b>Cash flows from investing activities</b>					
Investments in property, plant and equipment	-0.1	-0.1	-0.8	-0.3	-0.7
Investments in intangible assets	-0.4	-0.1	-1.0	-0.3	-0.6
<b>Net cash inflow (outflow) from investing activities</b>	<b>-0.6</b>	<b>-0.2</b>	<b>-1.8</b>	<b>-0.6</b>	<b>-1.3</b>
<b>Cash flows from financing activities</b>					
Repayments of bank loans	-1.5	-1.5	-3.0	-3.0	-3.0
Repayments of lease liabilities	-1.8	-	-5.1	-	-
Dividends paid	-	-	-6.4	-4.8	-4.8
Other cash flows from financing activities	0.2	0.3	0.3	0.3	0.3
<b>Net cash inflow (outflow) from financing activities</b>	<b>-3.1</b>	<b>-1.2</b>	<b>-14.2</b>	<b>-7.5</b>	<b>-7.5</b>
<b>Net decrease/increase in cash and cash equivalents</b>	<b>15.8</b>	<b>4.1</b>	<b>5.8</b>	<b>-0.6</b>	<b>-6.1</b>
Cash and cash equivalents at the beginning of the period	3.0	13.7	12.8	18.1	18.1
Effects of exchange rate changes on cash and cash equivalents	0.4	0.3	0.5	0.6	0.8
<b>Cash and cash equivalents at the end of period</b>	<b>19.1</b>	<b>18.1</b>	<b>19.1</b>	<b>18.1</b>	<b>12.8</b>

\* Includes the effects of the adoption of IFRS 16 Leases standard. Excluding IFRS 16 the comparable figures were: In 7-9/2019 Net cash inflow (outflow) from operating activities EUR 17.7 million and Net cash inflow (outflow) from financing activities EUR -1.3 million and in 1-9/2019 Net cash inflow (outflow) from operating activities EUR 16.7 million and Net cash inflow (outflow) from financing activities EUR -9.1 million.

## Earnings per share

	7-9/ 2019	7-9/ 2018	1-9/ 2019	1-9/ 2018	1-12/ 2018
Profit for the period attributable to Owners of the Company (EUR million)	6.6	6.2	14.4	11.3	14.6
Weighted average number of shares outstanding during the period, basic, in thousands of shares	40,017	39,987	40,009	39,987	39,987
<b>Earnings per share, basic (EUR)</b>	<b>0.16</b>	<b>0.16</b>	<b>0.36</b>	<b>0.28</b>	<b>0.37</b>
Impact of unregistered share issue on number of shares	-	-	9	-	9
Weighted average number of shares outstanding during the period, fully diluted, in thousands of shares	40,017	39,987	40,018	39,987	39,996
<b>Earnings per share, fully diluted (EUR)</b>	<b>0.16</b>	<b>0.16</b>	<b>0.36</b>	<b>0.28</b>	<b>0.37</b>

## Segments

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
<b>1-9/2019*</b>							
<b>Revenue</b>	<b>365.0</b>	<b>114.3</b>	<b>36.0</b>	<b>515.3</b>		<b>-32.3</b>	<b>483.1</b>
internal	0.0	30.6	1.6	32.3		-32.3	-0.0
external	365.0	83.6	34.4	483.1			483.1
sales of used cars	344.5	81.7	33.4	459.5			459.5
integrated services	20.6	2.0	1.0	23.5			23.5
<b>Gross profit</b>	<b>48.4</b>	<b>8.3</b>	<b>2.9</b>	<b>59.6</b>			<b>59.6</b>
<b>EBITDA</b>	<b>27.4</b>	<b>2.4</b>	<b>-0.5</b>	<b>29.3</b>	<b>-3.2</b>		<b>26.1</b>
Depreciation and amortization	-4.3	-1.3	-0.5	-6.2	-0.0		-6.2
<b>Operating profit</b>	<b>23.0</b>	<b>1.1</b>	<b>-1.0</b>	<b>23.1</b>	<b>-3.2</b>		<b>20.0</b>
Finance income and costs							-1.5
<b>Profit before income tax</b>							<b>18.5</b>

\* Includes the effects of IFRS 16 Leases -standard. Excluding IFRS 16 the comparable EBITDA, Depreciation and amortization and Operating profit in 1-9/2019 were as follows (EUR million):

EBITDA: Finland 23.6, Sweden 1.3, Germany -1.0 and Group 20.8.

Depreciation and amortization: Finland -0.7, Sweden -0.4, Germany -0.1 and Group -0.9.

Operating profit: Finland 22.9, Sweden 1.1, Germany -1.1 and Group 19.8.

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
<b>1–9/2018</b>							
<b>Revenue</b>	<b>316.8</b>	<b>74.9</b>	<b>21.9</b>	<b>413.7</b>		<b>-17.0</b>	<b>396.7</b>
internal	0.0	15.7	1.3	17.0		-17.0	
external	316.8	59.2	20.6	396.7			396.7
sales of used cars	299.6	57.7	20.1	377.4			377.4
integrated services	17.2	1.6	0.5	19.3			19.3
<b>Gross profit</b>	<b>40.9</b>	<b>6.2</b>	<b>1.8</b>	<b>48.9</b>			<b>48.9</b>
<b>EBITDA</b>	<b>18.6</b>	<b>1.2</b>	<b>-0.9</b>	<b>18.9</b>	<b>-3.0</b>		<b>15.9</b>
Depreciation and amortization	-0.7	-0.1	-0.1	-0.9	-0.0		-0.9
<b>Operating profit</b>	<b>17.9</b>	<b>1.1</b>	<b>-1.0</b>	<b>18.0</b>	<b>-3.0</b>		<b>15.0</b>
Finance income and costs							0.2
<b>Profit before income tax</b>							<b>15.2</b>

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
<b>1–12/2018</b>							
<b>Revenue</b>	<b>419.1</b>	<b>101.9</b>	<b>30.1</b>	<b>551.1</b>		<b>-23.3</b>	<b>527.8</b>
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
<b>Gross profit</b>	<b>54.3</b>	<b>8.3</b>	<b>2.2</b>	<b>64.9</b>			<b>64.9</b>
<b>EBITDA</b>	<b>25.1</b>	<b>1.1</b>	<b>-1.7</b>	<b>24.5</b>	<b>-4.3</b>		<b>20.2</b>
Depreciation and amortization	-1.0	-0.1	-0.1	-1.2	-0.0		-1.2
<b>Operating profit</b>	<b>24.1</b>	<b>0.9</b>	<b>-1.8</b>	<b>23.2</b>	<b>-4.3</b>		<b>18.9</b>
Finance income and costs							0.4
<b>Profit before income tax</b>							<b>19.4</b>

## Net working capital

EUR million	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Inventories	76.1	66.4	71.0
Trade and other receivables	19.6	15.0	13.7
Trade and other payables	-31.5	-24.9	-20.7
Provisions	-3.0	-2.7	-2.5
Current income tax liabilities	-0.9	-0.7	-0.3
<b>Net working capital</b>	<b>60.2</b>	<b>53.1</b>	<b>61.2</b>

## Net debt

EUR million	Sep 30, 2019*	Sep 30, 2018	Dec 31, 2018
<b>Non-current interest-bearing liabilities</b>			
Bank loans	16.4	19.4	19.4
Lease liabilities	32.0	-	-
<b>Total non-current interest-bearing liabilities</b>	<b>48.4</b>	<b>19.4</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>59.0</b>	<b>22.4</b>	<b>22.4</b>
Less cash and cash equivalents	-19.1	-18.1	-12.8
<b>Net debt</b>	<b>39.9</b>	<b>4.3</b>	<b>9.6</b>

\* Includes the effects of the adoption of IFRS 16 Leases standard on September 30, 2019. Excluding IFRS 16 the comparable Net debt on September 30, 2019 was EUR 0.4 million.

## Derivatives

EUR million	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
<b>Foreign currency derivatives</b>			
Fair value	-0.4	0.4	0.6
Value of underlying instrument	26.1	34.5	29.2

## Lease agreements, lease obligations and other commitments

### Operating lease commitments

The future minimum lease payments under non-cancellable operating leases

EUR million	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
No later than 1 year	0.4	8.8	9.4
Later than 1 year and no later than 5 years	0.6	19.1	20.8
Later than 5 years	-	2.5	2.6
<b>Total</b>	<b>1.0</b>	<b>30.4</b>	<b>32.8</b>

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

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

EUR million	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Loans	19.4	22.4	22.4
guarantees given against loans	104.0	104.0	104.0

**Other commitments**

EUR million	Sep 30, 2019	Sep 30, 2018	Dec 31, 2018
Rent and other payment guarantees	0.5	0.4	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	
<b>The future minimum lease payments under non-cancellable operating leases on December 31, 2018</b>	<b>32.8</b>
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
<b>Jan 1, 2019</b>	<b>38.3</b>	<b>38.3</b>
Increases	9.2	9.1
Decreases	-2.4	-2.4
Depreciation	-5.3	-
Exchange rate differences and other changes	-0.5	-0.5
Interest expenses	-	-0.3
Repayments of lease liability	-	-4.8
<b>Sep 30, 2019</b>	<b>39.4</b>	<b>39.5</b>

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

EUR million	7-9/2019	1-9/2019
Depreciation of lease assets	-1.7	-5.3
Interest cost from lease liabilities	-0.1	-0.3
Costs from short-term leases	-0.0	-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>-1.9</b>	<b>-6.0</b>

**Related party transactions**

EUR million	7-9/2019	7-9/2018	1-9/2019	1-9/2018	1-12/2018
Sales of used cars	0.0	-	0.0	0.1	0.1
Purchases of used cars	-0.1	-0.1	-0.1	-0.1	-0.1
Rental expenses	-	-0.1	-	-0.4	-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 of January 1, 2019, these lease agreements have been treated in accordance with IFRS 16. At the end of the reporting period, the Group's lease liabilities to related party amounted to EUR 4.1 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. On September 18, 2019, a total of 1,345 shares of these new shares were returned to the company without consideration due to the termination of employment of key persons belonging to the company's management.

## Publication schedule for financial reporting in 2020

Publication schedule for Kamux Corporation's financial reporting in 2020:

February 28, 2020: Kamux Corporation will publish its Financial Statements Bulletin 2019.

May 15, 2020: Kamux Corporation will publish its Interim Report for January–March 2020.

August 13, 2020: Kamux Corporation will publish its Half–Year Report for January–June 2020.

November 13, 2020: Kamux Corporation will publish its Interim Report for January–September 2020.

The Annual Report for 2019 including Financial Statements will be published on week 12/2020.

The Annual General Meeting of Kamux Corporation is scheduled to be held on Tuesday, April 21, 2020.

## Interim Report press conference and webcast

Kamux will hold an Interim Report press conference for media and analysts today, November 8, 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 in Finnish through a link at <https://kamux.videosync.fi/2019-q3-tulokset> and in English at <https://kamux.videosync.fi/2019-q3-results>. The Interim Report will be presented by CEO Juha Kalliokoski and CFO Marko Lehtonen.

In Hämeenlinna on November 8, 2019

Kamux Corporation

The Board of Directors

### For more information:

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