Report by the Board of Directors and Consolidated Financial Statements 2023

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Report by the Board of Directors 2023

KAMUX'S OPERATING ENVIRONMENT

Kamux is a retail chain specialized in used cars and related integrated services that operates in Finland, Sweden and Germany. At the end of 2023, Kamux had in total 78 showrooms in its three operating countries.

The total used car market in Europe is worth about twice as much as the total new car market, and market changes have traditionally been smaller than in the new car market. The market is also very fragmented. In Finland, which Kamux estimates to be the most concentrated market for used cars in the world, the aggregate market share of the five largest players measured in the number of cars sold is approximately 25%. In Sweden, the aggregate share of the five largest operators is estimated to be less than 10% and in Germany less than 2%. However, the used car market is becoming more concentrated, and the share of specialized operators such as Kamux of the overall market is growing. At the same time, car sales between consumers are decreasing.

In 2023, Kamux's operating environment was characterized by global political uncertainty, accelerated inflation and high interest rates. Consumer confidence in the future was at a low level, and large purchases, such as the purchase of a car, were considered more carefully. Car buying intentions were also influenced by consumers' uncertainty about the future development of different power source options, both in terms of car technology and prices. Uncertainty about the future development of fuel and electricity prices, as well as the sudden changes in the prices of new electric cars seen during the year, also increased the uncertainty. However, consumers' mobility needs remained unchanged, and during the year, they became somewhat accustomed to the interest rate level, which had risen significantly compared to previous years. The used car market stabilized and started to grow in 2023 in all of Kamux's operating countries. However, the number of cars sold was lower than in 2021. According to Kamux's estimate, a total of approximately 7.9 million passenger cars were sold in its three operating countries in 2023 (approximately 7.4 million cars in 2022). According to Kamux's estimate, approximately 0.6 million used passenger cars were sold in Finland, approximately 1.2 million used passenger cars in Sweden and approximately 6.0 million used passenger cars in Germany. Kamux estimates the market value to be more than 100 billion euros.

As the global shortage of components and chips, which significantly extended delivery times for new cars, eased towards the end of 2022, new car registrations in the EU increased. In 2023, 13.9% more new passenger cars were registered in Europe than in 2022 (ACEA). Compared to the previous year, 7.1% more new passenger cars were registered in Finland, 0.8% more in Sweden and 7.3% more in Germany. This freed up cars for the used car market, and the purchasing market was normal during the year, with the exception of Sweden. In Sweden, the purchasing market was difficult until the end of the third quarter, as due to the weak Swedish krona, a large number of used cars entering the market were sold outside Sweden.

The electrification of transportation is progressing, and the share of electric power sources in newly registered cars has increased strongly in recent years. In 2023, already approx. 22% of new cars registered in the EU were plug-in hybrids or electric cars. The share of electric power sources is also increasing in the used car market, especially in Sweden and Finland.

Finland

Economic uncertainty continued and households' confidence in the future was at a low level throughout the year. Inflation slowed down during the year, but interest rates remained high throughout the year, and the purchasing intentions related to durable goods such as cars were at a low level. However, the used car market, which contracted strongly in 2022, turned to a cautious rise in the early part of the year, and the used car market in Finland grew moderately by about 4% in 2023. Approximately 0.6 million used passenger cars were sold during the year.

Despite the easing of inflation, consumers are still quite cautious and, as a rule, are looking for affordable and economical cars. Used car prices fell at the beginning of the year, but remained stable thereafter.

The electrification of the car fleet continued in 2023, and already almost 55% of newly registered cars were plug-in hybrids or electric cars (Automotive Federation). An exceptionally high number of electric cars were registered when vehicles delayed due to the component shortage in 2021–2022 were delivered. The majority of used cars sold are still internal combustion engine cars, but more and more used cars are plug-in hybrids or EV's. The number of plug-in hybrid and electric vehicles sold by Kamux in Finland increased by 32% compared to 2022. Finland's car fleet changes slowly, and the share of plug-in hybrids and EV's of the entire car fleet was almost 8% in 2023. The turnover rate of the car fleet in Finland has slowed down in recent years, and the average age of the car fleet has risen to 13.2 years. The number of passenger cars used in traffic increased slightly in 2023 (Traficom, Automotive Information Centre).

Kamux has an established role as the largest player in the used car retail market in Finland, and according to our estimate, our market share in 2023 was approximately 8.6 percent. At the end of 2023, Kamux had 46 showrooms in Finland.

Sweden

Inflation, concerns about economic development and high interest rates weakened the Swedish consumers' confidence in the future in 2023. The used car market in Sweden was subdued and the market grew by 0.8%.

Approximately 1.2 million used passenger cars were sold during the year. The market for used cars less than 10 years old developed slightly more positively, especially towards the end of the year, and 3.5% more cars under 10 years were sold in the whole year than in 2022.

The market for new cars was also sluggish in Sweden in 2023, and used cars were scarcely released to the market. Since many Central European buyers were also active in the Swedish market due to the weak exchange rate of the krona, the purchasing market was extremely tough until the end of the third quarter. Used car prices fell at the beginning of the year, but remained relatively stable thereafter.

In Sweden, the car fleet is renewing somewhat faster than in Finland and as much as 60% of newly registered cars were rechargeable. The number of newly registered rechargeable cars increased by about 7% compared to 2022. At the end of 2023, rechargeable cars accounted for 11% of the total car fleet (Trafa.se). The number of rechargeable cars sold by Kamux in Sweden increased by 10%; the number of plug-in hybrids increased by almost 40%, but the number of EV's decreased by 37% compared to 2022. The demand for used internal combustion engine cars strengthened at the end of the year after the Swedish government announced measures that were expected to lower fuel prices.

Kamux has had operations in Sweden since 2012 and estimates that it is among the six largest players. According to our estimate, Kamux's market share in Sweden was approximately 1 percent in 2023. Kamux had 23 showrooms in Sweden at the end of 2023.

Germany

Economic and political uncertainty, as well as inflation and high interest rates, kept consumer confidence at a low level also in Germany. The used car market, which contracted strongly in 2022, turned to cautious growth during the first quarter and developed positively throughout the year. However, regional differencies were relatively large, and the market development in the Hamburg and Schleswig-Holstein regions that are important to Kamux was weaker than in the whole country. In 2023, approximately 6.0 million used passenger cars were sold in Germany, which was about 6.9% more than in the previous year. Used car prices fell somewhat during the year.

Germany has a large fleet of around 48 million cars (ACEA), and it is being electrified more slowly than in the Nordic countries. In 2023, about 25% of newly registered cars were plug-in hybrid or fully electric cars. Approximately 11% more electric cars were registered than in 2022, but the number of registrations of plug-in hybrids fell by half from the previous year. At the same time, approximately 43% more self-charging hybrids were registered than in the previous year. The share of rechargeable cars of the total car fleet was only about 4%, as a relatively large share of the rechargeable cars registered for the first time in Germany have been exported in recent years. Used cars sold by Kamux in Germany are almost without exception internal combustion engine cars.

Kamux has had operations in Germany since 2015, and it had 9 showrooms in the country at the end of 2023.

STRATEGY IMPLEMENTATION

The used car market offers an attractive opportunity for expansion and growth. Kamux's strategy defined for the years 2021–2023 was based on strong revenue growth, aiming for nearly doubling the company's revenue. During the strategy period, profitability development was set to be built on business growth and scalability. Russia's war of aggression against Ukraine, which began in 2022, caused essential changes in the operating environment, which have had a significant impact on the implementation of the strategy. The company's strategic focus areas in 2021-2023 have been:

- Omnichannel customer experience and services
- Efficient processes and scalability
- Utilizing data and leading with knowledge
- Developing capabilities and continuous learning

In accordance with our strategy, we continued to focus our operations on larger showrooms during 2023. In Germany, we opened two new showrooms during the year; in Düren, south-west of Cologne, we opened Kamux's first showroom outside the Hamburg metropolitan area in April, and in December we opened a showroom in Hameln, near Hanover. In addition, two of our older showrooms moved to new premises. In Sweden, our showrooms in Halmstad and Linköping moved to larger premises, and two showrooms in the Stockholm area were combined. In Finland, we focused our passenger car sales in Tampere to the Hatanpää showroom, closed down the showroom in Raahe, and expanded our showroom in Porvoo. We also announced that we will open a new flagship showroom in Lakalaiva, Tampere, in spring 2024.

In Sweden, a renewed, more comprehensive Kamux Plus service was introduced at the beginning of the year.

There were several changes in the company's operative management in 2023, including the change of the CEO. During the year, in addition to changes in management, the Board of Directors focused on the preparation of the new strategy period, various operational renewal projects, as well as on questions related to corporate responsibility reporting. During the year, the Board of Directors familiarized itself the company's operations on site in all three of its operating countries.

The growth targets set for the strategy period 2021–2023 were not reached, yet the Group's revenue increased every year during the strategy period, as has been the case since the company was founded, and in 2023 Kamux's revenue exceeded EUR 1 billion. Profitability was softer than targeted. In accordance with the strategic focus areas, omnichannel customer experience was developed in all operating countries and customer satisfaction remained at a good level. We centralized logistics and increased the showroom size in line with our strategy. We took significant steps in leading with knowledge, e.g. in sourcing, inventory management and sales management. Kamux also invested in competence development and continuous learning by strengthening the human resources and training organizations in all operating countries. Some of the planned development projects were transferred to the new strategy period.

GROUP REVENUE AND PROFIT IN 2023

The Group's revenue increased by 3.5% compared to the previous year and was EUR 1,002.1 million (968.7). Revenue increased mainly due to the increase in the number of sold cars. In connection with the sale of a used car, Kamux offers its customers commission-based services, such as insurance and financing services, as well as the Kamux Plus service, which is an extension to the statutory seller's liability for faults. Revenue from integrated services was EUR 53.0 million (52.9), or 5.3% (5.5) of total revenue. The translation impact of the Swedish krona on the Group's revenue was EUR -16.4 million compared to the 2022 exchange rates.

The number of cars sold by Kamux in Finland, Sweden and Germany increased by 8.5% compared to the previous year and was 68,257 cars (62,922). The number of cars sold grew in Finland and Germany but decreased in Sweden. Revenue per sold car was EUR 14,681 (15,395).

Gross profit increased by 9.0% compared to the corresponding period of the previous year and was EUR 102.5 million (94.1). Gross profit as percentage of revenue increased by 0.5 percentage points to 10.2% (9.7). Adjusted operating profit increased by 3.2% and was EUR 18.0 million (17.5), or 1.8% (1.8) of revenue. The operating profit was burdened by the negative development in Finland during the first quarter, the marketing measures taken to build awareness of Kamux in Germany during the second quarter, the costs related to the opening of new showrooms, significant investments in the processing of cars and customer service that were initiated in the third quarter, as well as the increased costs resulting from the capacity increase in Sweden in 2022. Items adjusting the operating profit totaled EUR 2.2 million (0.4) in January–December. The adjustment items include EUR 0.4 million of expenses related to strategic investigations, EUR 0.2 million of expenses related to legal processes, EUR 0.4 million of expenses related to taxes from previous years, EUR 0.2 million of expenses related to own real estate operations, and EUR 1.0 million of other items adjusting the operating profit that were related to the remuneration and compensations agreed in Tapio Pajuharju's CEO contract as well as restructuring costs, for example in Sweden.

Operating profit (EBIT) decreased by -7.1% compared to the corresponding period of the previous year and was EUR 15.8 million (17.0). Net financing items were EUR -1.9 (-1.8) million.

Kamux's profit before taxes was EUR 13.9 million (15.3). Taxes were EUR 4.3 million (4.4), corresponding to an effective tax rate of 31.1% (28.9%) for the financial year. Profit for the financial year was EUR 9.6 million (10.8).

Basic and diluted earnings per share were EUR 0.24 (0.27).

SEGMENTS

Finland 2023

Revenue increased by 11.8% compared to the previous year and was EUR 698.0 million (624.5). Revenue growth was mainly driven by the increase in the number of cars sold and sales growth of like-for-like showrooms. The number of cars sold increased by 5,579, or 12.6%, compared to the previous year and was 49,877 cars (44,298). Sales of financing services remained at a good level, but the increased interest rates were not fully passed on to customers. Sales of the renewed Kamux Plus service developed well. Revenue from integrated services was EUR 43.3 million (42.4), or 6.2% (6.8) of revenue. Operating profit increased by 6.8% compared to the previous year and was EUR 28.3 million (26.5), or 4.1% (4.2) of revenue. Operating profit increased following the positive development of the average margin per car and the increase in the number of cars sold.

During the year, we focused our passenger car sales in Tampere to the Hatanpää showroom, closed down the showroom in Raahe, and expanded our showroom in Porvoo. We also announced that we will open a new flagship showroom in Lakalaiva, Tampere, in spring 2024.

Sweden 2023

Total revenue decreased by -5.9% compared to the previous year and was EUR 283.4 million (301.3). Following the lower average prices and the decrease in the number of cars sold, external revenue decreased by -18.0% and was EUR 205.6 million (250.9). The challenging purchasing market and the resulting lower-than-ideal inventory of cars for sale had a negative impact on the number of cars sold until the end of the third quarter. The number of cars sold decreased by -962, or -7.0%, compared to the previous year and was 12,777 cars (13,739). Revenue from integrated services was EUR 5.9 million (6.3), or 2.9% (2.5) of external revenue. As a result of the measures initiated at the beginning of the year to improve profitability, the margin per car developed positively during the year and the operating result increased compared to the previous year. Operating result was EUR 0.3 million (-0.6), or 0.1% (-0.2) of total revenue. The increased costs resulting from the capacity increase in 2022 had a negative impact on the operating result. Misconduct was identified in the Swedish operations. Corrective measures in relation to the misconduct are ongoing.

During the year, the Halmstad and Linköping showrooms moved to larger premises, and two showrooms in the Stockholm area were combined. A renewed, more comprehensive Kamux Plus service was introduced at the beginning of the year.

Germany 2023

Following the increase in the number of cars sold, the total revenue in Germany increased by 7.0% compared to the previous year and was EUR 102.1 million (95.5). External revenue increased by 5.5% and was EUR 98.5 million (93.4). The number of cars sold increased by 718, or 14.7%, compared to the previous year and was 5,603 cars (4,885). High interest rates had a negative impact on the sales of financing services, and the revenue from integrated services decreased to EUR 3.8 million (4.2), or 3.8% (4.5) of the external revenue. Operating loss increased compared to the previous year and was EUR -1.8 million (-0.2), or -1.8% (-0.2) of total revenue. The operating profit was burdened by the costs related to the opening of new showrooms in the second and fourth quarters, as well as the significant investments in the processing of cars and customer service initiated during the third quarter.

In Germany, we opened two new showrooms during the year; in Düren, south-west of Cologne, we opened Kamux's first showroom outside the Hamburg metropolitan area in April, and in December we opened a showroom in Hameln, near Hanover. In addition, two older showrooms moved to new premises.

CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

At the end of 2023, the consolidated balance sheet total was EUR 215.7 million (204.6), of which total equity was EUR 111.8 million (108.4). Net debt was EUR 53.8 million (59.1). Non-current bank loans were EUR 13.2 million (15.5). The company has a strong balance sheet, which, for its part, enables business growth in line with the strategy.

In spring 2020, Kamux renewed its five-year credit facility agreement of EUR 40 million with Nordea Bank Corporation. The credit facility agreement includes a five-year term loan of EUR 18 million and a five-year revolving credit facility of EUR 22 million. In addition to the revolving credit facility, Kamux has a lease guarantee facility of EUR 0.4 million. At the end of the financial year, EUR 11.0 million of the term loan was drawn, while the revolving credit facility was not drawn. The term loan is currently repaid in bi-annual installments of EUR 1.0 million.

At the end of the financial year, there were EUR 5.0 million worth of commercial papers issued. The funds acquired through the revolving credit facility and the commercial papers are used to fund working capital.

A ten-year term loan of EUR 5.0 million was drawn for the property of the Oulu showroom and processing center in March 2022. At the end of the financial year, EUR 4.5 million of the term loan was drawn. The term loan is repaid in bi-annual installments of EUR 0.2 million.

Net working capital was EUR 97.4 million (100.2) as of December 31, 2023. The value of the inventory was EUR 117.2 million (114.1).

Kamux's cash flow from operating activities for January–December was EUR -25.2 million (26.1). Cash and cash equivalents were EUR 8.9 million (4.2) at the end of the financial year.

Equity ratio at the end of the financial year was 51.9% (53.2). Return on capital employed (ROI) was 6.6% (7.2) and return on equity (ROE) was 8.7% (10.1).

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—December was EUR 1.8 million (3.1), and it mainly consisted of investments in IT systems and ordinary maintenance in the showrooms. Investments in the comparison period also included the investment in the Oulu showroom and processing center.

STATEMENT OF NON-FINANCIAL INFORMATION

The information presented below is disclosed in accordance with the reporting obligations set forth in the directive on reporting non-financial information. Information on Kamux's corporate responsibility is also presented on pages 10–11 of the Annual Report.

Operating model and value creation

Kamux's operating model is focused on used car retail. The cornerstones of the company's omnichannel business model are professional sourcing and sales, rapid inventory turnover, low fixed costs, and integrated services. The company's vision is to be the largest retail operator specializing in used car sales in Europe.

The used car market is large and fragmented, which combined with the company's business model offers attractive growth potential. Kamux's strategy for 2021–2023 was based on strong revenue growth, almost doubling it. During the strategy period, the development of profitability was to be built on business growth and scalability. The strategy focused on utilizing data and leading with knowledge, improving the efficiency of our processes, seamless omnichannel customer experience, developing the capabilities of the personnel for the good of the customer, and investing in continuous learning. The Russian war of aggression against Ukraine, which began in 2022, caused significant changes in the operating environment, which has had a significant impact on the implementation of the strategy. Kamux will publish an updated strategy and long-term targets on March 20, 2024.

Profitable growth enables value creation for different stakeholders and for society as a whole. The company's most significant impacts relate to value creation in the society and social impacts, such as promoting mobility and renewing the vehicle fleet in Finland. As the largest used car retailer in Finland, Kamux also has a significant role in promoting the electrification of the vehicle fleet. Furthermore, Kamux's operations enable keeping existing vehicles in traffic throughout their reasonable lifecycle. Economic and social impacts are seen, for example, in tax payments and employment in the three operating countries. Kamux's financial targets for 2021–2023 include the target of distributing a dividend of at least 25% of the profit for the financial year. For the financial year 2023, the Board of Directors proposes a dividend distribution of 71% of the result of the financial year.

Our way of working

Sustainable ways of working are central for Kamux's business, its development, and the relations between Kamux and its stakeholders. Kamux complies with the laws, rules, and regulations in force in each of its operating countries. Taxes and other payments are carried out in accordance with local legislation.

Responsibility, ethics, honesty, and equality are a part of Kamux employees' everyday actions. Kamux's values are teamwork, joy and drive, freedom and accountability, happy customers, profitable business, and responsibility.

Kamux has three responsibility themes: sensible choices, worth the trust, and enthusiasm for work. Each theme includes topics identified as essential as well as goals and performance metrics. The responsibility themes are based on a materiality analysis conducted in 2019. Alongside the materiality analysis, the responsibility themes represent the areas in which Kamux has the greatest impacts on people, the economy, and the environment.

The figures presented in this Non-financial information statement cover the essential topics mentioned above. Kamux is also committed to contributing to the United Nations' global Sustainable Development Goals in its operations.

During 2023, Kamux has reviewed and re-evaluated the key themes, objectives and indicators of the responsibility program, listening to key stakeholders. We carried out a double materiality analysis as well as stakeholder interviews and refined our responsibility program based on the results. By the end of 2023, the upgrade work was almost complete. Kamux will report in accordance with the new responsibility program starting from 2024.

Kamux's key stakeholders include customers, personnel, owners, partners, authorities, and decision-makers as well as the car industry.

Code of Conduct and policies

Kamux wants to be a car retail forerunner in building a culture of trust and openness. In all markets, the company's operations, management, and corporate governance are based on Kamux's Code of Conduct, good governance, and careful compliance with current requirements.

Kamux also expects all suppliers of cars, services, or goods to comply with the Supplier Code of Conduct. The principles are also included in the company's procurement policy. Other key policies and principles guiding our operations are, for example, Kamux's risk management policy in wholesale car purchasing, which has been confirmed by the Board of Directors, as well as the diversity policy.

Corporate responsibility risk management

Risks related to corporate responsibility are identified and managed as a part of Kamux's comprehensive risk management work. In addition, responsibility topics, including the related risks, are discussed in every Management Team meeting, and they form a part of the Board of Directors' reporting package.

The company has an anonymous whistleblowing channel for reporting any possible actions violating the Code of Conduct, possible misconduct, or suspicions of misconduct. The whistleblowing channel is available for Kamux's personnel and other stakeholders on the company's website. During 2023, Kamux received nine (9) reports through the whistleblowing channel. The reports were mainly related to the misconduct identified in the Swedish operations.

Environmental matters

Sensible choices

Kamux promotes a circular economy in which non-renewable natural resources are saved through repairs, reuse and recycling. The greatest environmental impact of Kamux's operations is created indirectly when the cars purchased and resold by Kamux are in traffic. As the CO_2 footprint of the car manufacturing industry is big, existing vehicles should be used in a sensible way until the end of their life-cycle and the remaining materials reused within the circular economy.

Kamux's operations enable keeping existing vehicles in traffic throughout their reasonable life-cycle. In 2023, we carried out maintenance and repair measures and equipment upgrades to 64 percent of the cars sold so that the cars will remain usable for the extent of their reasonable life-cycle and their usability is as good as possible considering their age.

Kamux supports both EU and national energy and climate strategies as well as emission reduction targets. Kamux enables the purchase of a newer car with lower emissions to many consumers. In terms of Kamux's indirect climate impacts, the development of low-emission cars and their share of total used car sales are integral.

Kamux renews Finland's vehicle fleet by importing newer cars with lower CO_2 emissions compared to the average car currently used on Finnish roads. The average age of the cars imported by the company was 4.3 years (4.8) in 2023, whereas the average age of passenger cars in traffic use in Finland in 2023 was approximately 13.2 years (12.9) according to the Finnish Information Centre of Automobile Sector. The average age of Kamux cars sold in Finland was 9.4 years.

In 2023, the CO2 emissions of cars imported by Kamux to Finland were on average 97.2 g/km (NEDC). The average CO2 emissions for passenger cars used in Finnish transportation were 139.9 g/km (NEDC) at the end of 2023. 57.5% (53.4) of the cars Kamux imported to Finland in 2023 were running on alternative power sources, including hybrids, electric, natural gas, or ethanol cars. Kamux sold a total of 49,876 cars in Finland in 2023, of which approximately 16.4% (14.6) were driven by alternative power sources. The share of plug-in hybrids and fully electric cars is growing rapidly as cars sold as new enter the used car market at the age of 1–3 years. Kamux is strongly involved in the development.

In Sweden, Kamux sold a total of 12,777 cars in 2023, of which 8.1% were electric or hybrid cars. The average age of cars sold by Kamux in Sweden was 7.6 years. In Germany, Kamux sold a total of 5,603 cars in 2023, of which only about 2.4% were electric or hybrid cars. The average age of cars sold by Kamux in Germany was 6.4 years.

In car maintenance and repair, Kamux uses recycled spare parts of high quality when possible. Service, repair, and cleaning are done by local operators.

The company minimizes the amount of waste it produces and recycles the waste. In 2023, the amount of waste in Finland totaled 67.1 tons (53.5). The waste recovery rate was 98% (98) and the recycling rate was 12% (11). The information covers 44 showrooms in Finland. Kamux restrains energy consumption in its showrooms and favors low-emission energy sources in properties where it can directly influence the used energy solutions.

By investing in leading with knowledge, Kamux strives to meet the mobility needs of customers even better than before and match supply and demand more efficiently. Mapping consumer needs even more efficiently allows Kamux to build a car offering that responds to demand in an as accurate and up-to-date way as possible. Additionally, Kamux can place the cars in its showrooms in a way that minimizes transferring them. The personnel has been instructed on driving in an economical and environmentally conscious way, and cars are fueled with only the necessary amount of fuel. Kamux's fuel consumption in 2023 was 27 liters (30) per car sold.

EU classification for sustainable financing, or taxonomy

The EU taxonomy is a classification system for sustainable financing which strives to create criteria for defining environmentally sustainable business. It classifies taxonomy eligible and taxonomy-aligned activities, i.e. economic activities that best promote the achievement of the EU's climate goals. As a publicly listed company that employs more than 500 people, Kamux is obligated to provide a statement of non-financial information in its Board of Directors' Report. The statement also presents information in compliance with the EU's taxonomy on sustainable financing.

On January 1, 2024, the EU taxonomy expanded beyond climate change mitigation and adaptation to economic activities that are considered to make a significant contribution to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to the prevention and reduction of environmental pollution, or to the protection and restoration of biodiversity and ecosystems. Despite the expansion, some industries, such as car dealerships, were excluded from the application of the taxonomy.

Kamux has assessed the taxonomy eligibility and taxonomy alignment of its business activities in relation to the delegated act of the EU taxonomy regulation concerning climate change mitigation and adapting to climate change. An activity can be classified as taxonomy-aligned if it promotes significantly at least one of the taxonomy's environmental targets, has no significant harmful impacts regarding other environmental targets, and complies with the social minimum safeguards defined in the taxonomy.

The current taxonomy does not cover all activities that are typical to car retail, which means that businesses report on activities that fall within the scope of the taxonomy if they engage in them. So far, none of Kamux's business activities have been classified in the taxonomy, and Kamux has no taxonomy eligible or taxonomy-aligned activities that fulfill the criteria of the EU taxonomy in its current form. Therefore, 0% of Kamux's net sales, operating costs, and capital expenditure is taxonomy eligible and 100% of them is thereby non-eligible. 0% of Kamux's net sales, operating costs, and capital expenditure is taxonomy aligned and 100% of them is non-aligned.

The largest environmental impacts of Kamux's operations are caused indirectly by vehicles used in traffic. Kamux's primary ways of creating climate impacts are related to the development of low-emission cars and their share of used car sales. Kamux enables using already manufactured cars throughout their reasonable life-cycle.

Kamux continues to monitor the EU taxonomy regulation and possible developments.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Turnover (3)	Proportion of Turnover, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomyaligned (A.1.) or -eligible (A.2.) turnover, year 2023-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
-	-	-	-	-	-	-	-	-	-										
Environmentally sustainable activities (Taxonomy-aligned)		-	-	-	-	-	-	-	-										
Of which enabling			%	%	%	%	%	%	%								%		
Of which transitional			%	%													%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
-	-	-	-																
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	-																
A. Turnover of Taxonomy-eligible activities (A.1+A.2)	-		-																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy non-eligible activities (B)		1,002.1	100%																
Total		1,002.1	100%																

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomyaligned (A.1.) or eligible (A.2.) CapEx, year 2023-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
-	-	-	-	-	-	-	-	-	-										
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-										
Of which enabling			%	%	%	%	%	%	%								%		
Of which transitional			%	%													%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
-	-	-	-																
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	-																
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)	-	-	-																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		13.5	100%																
Total		13.5	100%																

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023

Financial year 2023		2023		Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, year 2023 (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Pollution (8)	Circular Economy (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Pollution (14)	Circular Economy (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or -eligible (A.2.) OpEx, year 2023-1 (18)	Category enabling activity (19)	Category transitional activity (20)
		€ million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITES																			
A.1 Environmentally sustainable activities (Taxonomy-aligned)																			
-	-	-	-	-	-	-	-	-	-										
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-										
Of which enabling			%	%	%	%	%	%									%		
Of which transitional			%	%													%		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
-	-	-	-																
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	-																
A. OpEx of Taxonomy eligible activities (A.1+A.2)	-	-	-																
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		0.8	100%																
Total		0.8	100%																

Social matters

Excellent customer experience

Kamux wants to offer the best customer experience in used car retail. The goal is for Kamux's customer interactions to be smooth and transparent and to encourage recommendations. Kamux monitors performance in customer service situations systematically and strives to develop its operations based on received feedback. We measure customer satisfaction with the Net Promoter Score (NPS). In 2023, our Net Promoter Score (NPS) was 50. Customer experience is a key focus area, and we will invest heavily in its development in the coming years.

Kamux aims to be the forerunner of car retail by being reliable, open, and transparent. Kamux aims to minimize the amount of post-sale disagreements and dispute cases requiring rectification. Kamux acts in accordance with the recommendations and guidelines of local consumer authorities when providing its customers with solutions based on the life-cycle approach.

Partners

Kamux has approximately 6,000 local maintenance, repair, and cleaning service providers, including car purchase channels and partners. Partners employ people in different parts of all Kamux's operating countries. Kamux builds close partnerships that are based on compliance with the company's Code of Conduct.

Personnel

Enthusiasm for work

Enthusiastic, committed and skilled personnel is the cornerstone of Kamux's operations. Kamux is a fair workplace that ensures employee engagement by providing career paths, training, and a motivating reward system. In 2023, employee satisfaction and well-being at work remained on a high level. Results of the work satisfaction and well-being survey were 4.0/5 (4.0) in Finland, 3.9/5 (3.6) in Sweden, and 4.0/5 (3.9) in Germany. The entire Group's average remained on a good level at 4.0/5 (3.9). During 2023, 15 Kamux employees changed roles within the organization.

Kamux continued development projects to develop the skills and expertise of its personnel.

The health percentage of employees was 59 on the Group level. Work safety is important at Kamux, and we strive to minimize accidents. During the year, 1 accident occurred that led to absence from work, but there were no serious work-related accidents.

Diversity, equality and non-discrimination

The number of employees remained at the previous year's level. The number of personnel decreased slightly in Sweden, but increased correspondingly in Finland.

The average number of personnel working for Kamux converted to full-time equivalent (FTE) employees was 885 (883) in 2023, of whom 89% were male and 11% were female. The age distribution of employees was 15–83 years. The youngest employees were summer workers and the oldest were car deliverers. In 2023, Kamux employees served their customers in 18 different languages.

Kamux is a responsible employer and aims to treat all employees equally, respecting their privacy, religious freedom as well as freedom of association and collective bargaining. The company operates in accordance with the United Nations' Universal Declaration of Human Rights and the employees' rights defined by the International Labor Organization (ILO), as determined in Kamux's Code of Conduct.

Kamux's diversity policy promotes balanced gender diversity when electing Board members and includes Board members having skills and experience in different business areas that complement each other and support the company's core functions. The diversity of the Board of Directors is supported by the diverse professional and educational background of the members as well as consideration for the age distribution. The diversity goals defined in Kamux's diversity policy are evaluated to be adequately realized in 2023.

Human rights and preventing corruption and bribery

Kamux operates in accordance with the United Nations' Universal Declaration of Human Rights and the employees' rights defined by the International Labor Organization (ILO). Respecting human rights highlights equality as an employer, a safe working environment, equal opportunities to develop as a car sales professional as well as diversity of management. Kamux does not tolerate human rights violations in any form. The company has zero tolerance for corruption and bribery. The awareness and readiness of personnel are developed through trainings and internal guidelines.

PERSONNEL

Kamux had 1,059 (1,326) employees on December 31, 2023, including all active full-time and part-time employees. Converted to full-time equivalent (FTE) employees, Kamux employed 885 (883) people in 2023.

	2023	2022
Employees on December 31	1,059	1,326
FTE employees on average	885	883
Wages and salaries (EUR million)	44.6	38.0

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

	2023	2022
Finland	583	568
Sweden	227	240
Germany	75	75

CHANGES IN MANAGEMENT

At the beginning of 2023, Kamux's Management Team comprised of CEO Juha Kalliokoski, CFO Marko Lehtonen, Country Manager for Finland Jani Koivu, Country Manager for Sweden Kerim Nielsen, Country Manager for Germany Martin

Verrelli, Chief Digital Officer Jarkko Lehtismäki, Chief People and Sustainability Officer Marjo Nurmi, Chief Sourcing Officer Juha Saarinen and Chief Business Development Officer Vesa Uotila.

Tapio Pajuharju assumed his role as CEO of Kamux on June 1, 2023, and Juha Kalliokoski stepped down from the company's operative management on June 30, 2023.

On August 2, 2023, Kamux announced that Kerim Nielsen, Country Director for Sweden and a member of the Group Management Team, had decided to pursue a career opportunity outside of Kamux Corporation in early 2024.

On October 9, 2023, Kamux announced that Aino Hökeberg had been appointed as Kamux Corporation's Chief Marketing and Concept Officer, responsible for marketing and business concept, and a member of the Group Management Team as of January 1, 2024.

On November 15, 2023, Kamux announced that Andy Rietschel had been appointed as Kamux's Country Director for Sweden and a member of the Group Management Team as of January 1, 2024. Rietschel joined Kamux on December 15, 2023.

On November 23, 2023, Kamux announced that Marko Lehtonen, the company's CFO and member of the Group Management Team, will leave Kamux on February 23, 2024.

On December 7, 2023, Kamux announced the appointment of Jukka Havia as Kamux's Chief Financial Officer and a member of the Group Management Team as of January 17, 2024.

Management holdings

Holdings of the Board of Directors, CEO and Management Team of the Company's outstanding shares as of December 31, 2023 were as follows:

	Ownership
Members of the Board of Directors	15.19%
CEO	0.09%
Other Management Team	0.17%

RISK MANAGEMENT

The aim of risk management is to ensure the keeping of customer promises, profit development, the ability to pay dividend, shareholder value, responsible operating practices and the continuity of business. Kamux complies with the internal control and risk management principles approved by the company's Board of Directors.

Risk management is a systematic activity, the purpose of which is to guarantee comprehensive and appropriate identification, assessment, management and monitoring of risks. It is an essential part of Kamux's planning and management process, decision-making, daily leadership, operations and supervision and reporting procedures. Risks are assessed and managed in a business-oriented fashion and comprehensively. This means that the key risks are identified, assessed, managed, monitored and reported on systematically as part of the business.

Kamux only takes conscious and calculated risks in expanding its business, strengthening its market position and creating new business. In assessing the risks, the company takes into account not only economic aspects but also the impact on people, the environment and reputation. Kamux creates a safe working environment for employees and minimizes the potential for crime or misconduct. The company secures business-critical operations and the resources needed to ensure continuity. Kamux prepares for the realization of risks, for example, by maintaining adequate insurance coverage and information security.

The Group's CEO and other members of the Management Team each have their own responsibility areas. The Management Team regularly reports to the Board of Directors on risks and risk management actions. The Board reviews the most significant risks and the measures to manage them, and assesses the effectiveness and functionality of risk management. The CFO is responsible for the coordination of risk management. Kamux has created common operating principles in its Code of Conduct, which is available in Finnish, Swedish, German and English. The Code of Conduct is one part of pre-emptive risk management.

Economic risks and general competitive situation

General economic conditions may have an adverse effect on the used car retail market in which Kamux operates. The risk is managed by closely monitoring the general economic development and its impact on Kamux's business. Other risks related to the economy include interest rate, financing and tax risks, which are monitored and mitigated as described in the Group's Treasury Policy.

The used car retail market is highly fragmented, and Kamux's competitors range from large nationwide brand dealerships to private individuals in all of its geographical markets. Kamux responds to tightening competition through continuous competitive situation assessment and development of the Kamux concept.

Kamux offers its customers third-party financing products, which are significant for Kamux's profit-making ability. Potential considerable changes in credit granting by financial institutions, interest rates offered to customers or the financial situation of an individual financial institution may impact the supply and competitiveness of financing products in the market. Kamux closely monitors the development of customer funding in the market and cooperates with several leading financial institutions in different markets.

Amendments to the car tax legislation or drafting of legislation can have a material adverse effect on the market of new and used cars and on Kamux. Kamux's tax burden may increase as a result of changes in tax laws or their application, or as a result of a tax audit.

Public discussion on different power sources and possible changes in power sources and related political decisions may from time to time have on impact on Kamux's operations via changes in consumer demand. Rapid changes in the attractiveness and pricing of different power sources may impact the market prices of used cars. Kamux operationally manages the risk related to inventory valuation by paying continuous attention to sufficiently fast inventory turnover and by monitoring industry trends regarding power sources. In addition, the repair, maintenance and insurance costs of used EV's and plug-in hybrids are subject to significant uncertainties.

The geopolitical uncertainty was reflected in the markets of European countries in many ways, for example, in monetary policy, the investment market and inflation, as well as energy and fuel prices. If prolonged, the situation may further impact people's consumption behavior and purchasing power, which may also be reflected in the used car sales.

Reputation risk

Kamux's brand and reputation among customers and other stakeholders are important factors of success. Kamux works to minimize its reputation risk by monitoring the development of customer satisfaction, maintaining high customer service levels and operating in a responsible way.

Personnel risk

Competent personnel deliver Kamux's results. Kamux's human resource strategy identifies personnel as the Group's most important resource, and employees are instrumental in achieving the set business goals. Managing personnel growth has been identified as a risk. Personnel risk is minimized through a systematic recruitment process, tracking and developing employee satisfaction and well-being, training and a rewarding incentive system.

Failures in IT systems and processing of confidential customer information

Kamux's IT systems are especially important and cover all key business areas such as customer information, inventory monitoring, logistics, human resources, finance and other administrative systems. Kamux collects, processes and retains confidential customer information in connection with its normal business. The business premises and systems of Kamux and its external service providers may be exposed to risks related to unauthorized use, misuse, employee mistakes or misconduct, computer viruses, hacker attacks or other similar threats. Kamux aims to prevent failures by means defined in its information security strategy.

RESOLUTIONS OF THE ANNUAL GENERAL MEETING OF KAMUX CORPORATION AND THE DECISIONS OF THE CONSTITUTIVE MEETING OF THE BOARD OF DIRECTORS AND AUTHORIZATIONS

Resolutions of the Annual General Meeting

Kamux Corporation's Annual General Meeting was held on Thursday, April 20, 2023. The Meeting approved the Annual Accounts for the financial year 2022 and discharged the members of the Board of Directors and the CEO from liability. The Annual General Meeting also made an advisory resolution to approve the remuneration report for the governing bodies.

Payment of dividend

The Board of Directors' proposal for a dividend of EUR 0.15 per share was approved. The dividend is paid in two installments. The record date for the first dividend installment, EUR 0.05, was April 24, 2023, and the dividend was paid on May 2, 2023. The record date for the second dividend installment, EUR 0.10, was October 24, 2023, and the dividend was paid on October 31, 2023. The Board of Directors was authorized, if necessary, to decide on a new dividend payment record date and pay date for the second installment if the rules and statutes of the Finnish book-entry system change or otherwise so require.

Composition and remuneration of the Board of Directors

In accordance with the proposal of the Shareholders' Nomination Board, the Annual General Meeting confirmed that the Board of Directors will consist of six members. In accordance with the proposal of the Shareholders' Nomination Board, Terho Kalliokoski, Reija Laaksonen, Antti Mäkelä, Harri Sivula and Jaana Viertola-Truini were re-elected as members of the Board of Directors and Juha Kalliokoski was elected as a new member of the Board of Directors. In accordance with the proposal of the Shareholders' Nomination Board, the Annual General Meeting elected Terho Kalliokoski as the Chairperson of the Board and Harri Sivula as the Vice Chairperson of the Board.

In accordance with the proposal of the Shareholders' Nomination Board, the Annual General Meeting also resolved that an annual compensation of EUR 68,000 be paid to the Chairperson of the Board and EUR 31,000 to the Board Members, and an additional compensation of EUR 5,000 per year to the Chairpersons of the Audit Committee and the Personnel and Remuneration Committee and EUR 2,500 per year to each member of the Audit Committee and the Personnel and Remuneration Committee. It was resolved that 40% of the annual fee of the Chairperson and the members of the Board of Directors is paid in Kamux Corporation shares either purchased at a prevailing market price from the market or alternatively by using own shares held by the Company after the publication of the interim report for the period January 1, 2023, to March 31, 2023. The rest of the annual fee will be paid in cash, which is used to cover taxes arising from the fees. The Company pays the transaction costs and transfer taxes related to the purchase and transfer of shares. The fees of the Committee members will be paid in cash. If the Board of Directors decides to establish new committees, the annual fees of the Chairperson and the members of the new committee will be equal to the annual fees of the Chairperson and the members of the other committees. Travel expenses will be reimbursed in accordance with the Company's travel policy.

Auditor

Authorized Public Accountant PricewaterhouseCoopers Oy was re-elected as the Company's auditor in accordance with the proposal of the Board of Directors. The remuneration of the auditor will be paid according to a reasonable invoice as approved by the Company. PricewaterhouseCoopers Oy has informed that Authorized Public Accountant Markku Launis will act as the principal auditor.

Authorizing the Board of Directors to decide on a share issue

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the issuance of a maximum of 4,000,000 shares in one or more tranches, corresponding to approximately 10% of all the shares in the Company. The Board of Directors decides on the terms and conditions of the issuance of shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares either against payment or without consideration. The issuance of shares may be carried out in deviation from shareholders' pre-emptive right (directed issue) for a weighty financial reason from the Company's perspective, such as using the shares to develop the Company's capital structure, to finance possible acquisitions, capital expenditure or other arrangements within the scope of the Company's business operations, or to implement the Company's commitment and incentive scheme. The authorization cancels the previous authorization regarding the share issue given to the Board of Directors by the Annual General Meeting on April 20, 2022. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until June 30, 2024.

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

The Annual General Meeting resolved to authorize the Board of Directors in accordance with the proposal of the Board to resolve on the repurchase of a maximum of 2,000,000 of the Company's own shares using the unrestricted equity of the Company representing about 5% of all the shares in the Company. The authorization includes the right to accept the Company's own shares as a pledge. The shares shall be acquired through public trading, for which reason the shares are acquired otherwise than in proportion to the share ownership of the shareholders and the consideration paid for the shares shall be the market price of the Company's share in public trading at Nasdaq Helsinki Ltd at the time of the acquisition. Shares may also be acquired outside public trading for a price which at the most corresponds to the market price in public trading at the time of the acquisition. The Board of Directors will be authorized to resolve upon how the shares are acquired. The authorization includes the Board's right to resolve on a directed repurchase or the acceptance of the shares as a pledge if there is a compelling financial reason for the Company to do so as provided for in Chapter 15, Section 6 of the Finnish Limited Liability Companies Act. The shares shall be acquired to be used for the execution of the Company's share-based incentive schemes or for other purposes determined by the Board of Directors. The decision to repurchase the Company's own shares or to accept them as a pledge shall not be made so that the shares of the Company in the possession of or held as pledges by the Company and its subsidiaries would exceed 10 (ten) percent of all shares. 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. The authorization cancels the previous authorization given to the Board of Directors by the Annual General Meeting on April 20, 2022. The authorization is valid until the closing of the next Annual General Meeting, however, no longer than until June 30, 2024.

Amendment of the Articles of Association

The Annual General Meeting resolved to amend the Company's Articles of Association by adding a new section no. 12, which allows the Board of Directors to decide that a shareholder may also participate in a General Meeting by fully exercising their right to vote during the meeting by means of a telecommunications link and a technical aid (hybrid meeting), or that a General Meeting shall be held without a meeting place in such a way that shareholders exercise their voting rights fully and in a timely manner during the meeting by means of a telecommunications link and a technical aid (remote meeting). A shareholder attending a remote meeting may exercise all their rights at the remote meeting in the same way as if they were attending the meeting in person. In addition, the sentence "The General Meeting must be held in Helsinki or Hämeenlinna." was removed from section no. 10 of the Articles of Association and it is included in the new section no. 12.

Decisions of the Constitutive Meeting of the Board of Directors

In its constitutive meeting convening after the Annual General Meeting, the Board of Directors decided to appoint Harri Sivula (chairperson), Juha Kalliokoski and Jaana Viertola-Truini as members of the Audit Committee and to appoint Reija Laaksonen (chairperson), Juha Kalliokoski and Antti Mäkelä as members of the Personnel and Remuneration Committee. In accordance with the independence assessment of the Board of Directors, Juha Kalliokoski is dependent of the Company and its major shareholders. The other members are independent of both the Company and its major shareholders.

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 20, 2023.

THE COMPOSITION OF THE SHAREHOLDERS' NOMINATION BOARD

On September 11, 2023, Kamux announced the composition of the Shareholders' Nomination Board. The Shareholders' Nomination Board consists of four members. The right to nominate the three members representing the shareholders is determined based on ownership in order of magnitude on the first business day of August preceding the Annual General Meeting, according to the shareholders' register held by Euroclear Finland Ltd. In addition, the Chairperson of the Board of Directors is a member of the Nomination Board.

The composition of the Shareholders' Nomination Board for the term 2023–2024 was determined based on holdings on August 1, 2023, in the shareholders' register and evidence received of the holdings. The following shareholders used their nomination right and the following members were nominated to Kamux's Shareholders' Nomination Board:

- Juha Kalliokoski, Chairperson of the Shareholders' Nomination Board, representing shareholders Juha Kalliokoski and Callardo Capital Oy
- Niko Syrjänen, representing shareholder Elo Mutual Pension Insurance Company
- Juha Takala, representing the funds managed by OP Financial Group
- Terho Kalliokoski, Chairperson of Kamux Corporation's Board of Directors

The Nomination Board gave its proposals for the Annual General Meeting 2024 to the Company's Board of Directors on January 26, 2024.

SHARE-BASED INCENTIVE PLAN

On February 26, 2021, the Board of Directors of Kamux Corporation decided to approve the new long-term share-based incentive plan for the Group's key personnel for the years 2021–2023.

The plan is divided into three one-year earning periods, the first of which began at the beginning of the year 2021. The commitment period following the earning period ends on April 30, 2024. In addition, the plan includes an additional component based on the market value of the Company. Based on the additional component, if the criteria are met, additional shares are distributed after the end of the 2023 earnings period.

The entire plan is accounted for as an equity-settled payment with net settlement features. The fair value of the plan was determined on the grant date. The fair value of the plan is expensed during the three years until the end of the commitment period. In 2023, the total effect of the share-based plans on the consolidated income for the financial year was EUR -0.1 million (-0.2).

On March 3, 2023, Kamux announced that an ESG criterion based on the company's sustainability program is added as a key performance indicator to the 2023 earnings criteria of the share-based incentive plan. In addition, the weight of the operating profit criterion was increased for the 2023 performance period.

Note 5.3 of the consolidated financial statements contains more information on share-based incentive plans.

SHARE-BASED INCENTIVE SCHEME FOR THE CEO

On June 21, 2023, Kamux announced that the Board of Directors of Kamux Corporation had approved a long-term share-based incentive plan for the years 2023–2026 for Tapio Pajuharju, Kamux Corporation's CEO as of June 1, 2023. The objective of the plan was to encourage and commit the CEO to implement the strategy and to increase the value of the company in the long term, as well as to align the objectives of the company's shareholders and key employees to increase the value of the company. The plan also aimed to commit the CEO to the company and provide him with a competitive remuneration scheme based on the earning and accumulation of the company's shares. The plan commenced on June 1, 2023, and and was to terminate on December 31, 2026. In February 2024, the Board of Directors decided to discontinue the CEO's share based incentive plan 2023-2026 as of January 1, 2024, as the CEO will participate in the new long-term incentive plan 2024-2026 offered to the key employees of the Company.

The principles of the remuneration of Kamux's CEO, the rest of the Management Team and the Board of Directors have been described in more detail on the Company's web pages at www.kamux.com > Governance > Remuneration.

TREASURY SHARES

At the beginning of 2023, the Company held 4,038 treasury shares. In March 2023, a total of 2,060 shares, and in September, a total of 863 shares were returned to the Company without consideration due to the termination of employment of persons covered by the share-based incentive plan. At the end of the reporting period, the Company held 6,961 treasury shares, representing 0.02% of all shares.

FLAGGING NOTICES

On January 13, 2023, Kamux received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act, according to which the total holding of funds (Danica Pension Livsforsikringsaktie and Finnish Fund) managed by Danske Bank A/S (Copenhagen, Denmark) in Kamux Corporation shares and votes had increased above five (5) percent on January 12, 2023, and was 5.05% following the notification.

On April 14, 2023, Kamux received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act, according to which the total holding of Elo Mutual Pension Insurance Company in Kamux Corporation shares and votes had decreased below five (5) percent on April 13, 2023, and was 4.97% following the notification.

On May 10, 2023, Kamux received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act, according to which the total holding of funds (Danica Pension Livsforsikringsaktie and Finnish Fund) managed by Danske Bank A/S (Copenhagen, Denmark) in Kamux Corporation shares and votes had decreased below five (5) percent on May 9, 2023, and was 4.95% following the notification.

On December 5, 2023, Kamux received a notification pursuant to Chapter 9, Section 5 of the Securities Markets Act, according to which the total holding of funds (Finnish Fund) managed by Danske Bank A/S (Copenhagen, Denmark) in Kamux Corporation shares and votes had increased above five (5) percent on December 4, 2023, and was 5.01% following the notification.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On January 22, 2024, Kamux announced that the Board of Directors of Kamux Corporation had resolved to establish a matching share plan for the recognized rising key employees of the Group. The Green Lions Plan 2024–2029 includes four (4) matching periods, covering the years 2024–2026, 2025–2027, 2026–2028 and 2027–2029. The prerequisite for participation in the plan and receiving a reward is that a participant has personally acquired Kamux shares within the limits set by the Board of Directors. Furthermore, payment of the reward is based on the participant's valid employment contract upon reward payment. The target group of the first matching period of January 1, 2024 – December 31, 2026, consists of approximately 70 recognized future key employees, who are not included in Kamux's other share-based incentive plans. The rewards to be paid on the basis of the plan correspond to the value of an approximate maximum total of 270,000 Kamux Corporation shares (estimated using the closing share price of January 17, 2024, EUR 5.23), including also the proportion to be paid in cash. The rewards from the first matching period will be paid by the end of March 2027.

On January 26, 2024, Kamux announced the Shareholders' Nomination Board's proposals for the Annual General Meeting 2024. The Shareholders Nomination Board proposes that the company's Board of Directors shall have seven (7) members, and that the current members Juha Kalliokoski, Terho Kalliokoski, Antti Mäkelä, Harri Sivula and Jaana Viertola-Truini be re-elected as members of the Board of Directors and Maren Kroll and Kati Riikonen be elected as new members of the Board of Directors. Additionally, the Shareholders' Nomination Board proposes to the AGM that Terho Kalliokoski be re-elected as Chairperson of the Board of Directors and Harri Sivula be re-elected as Vice Chairperson of the Board of Directors. According to the evaluation made by the nominees themselves and by the Shareholders' Nomination Board, Juha Kalliokoski is dependent of both the company and its significant shareholders whilst the other nominees are independent of the company and of its significant shareholders. In addition, the Shareholders' Nomination Board proposes to the AGM that the annual remuneration of the members of the Board of Directors and the committee fees be modestly raised (see the stock exchange released published on January 26, 2024).

On February 1, 2024, Kamux announced that a total of 2,092 Kamux Corporation's shares had been returned free of consideration to Kamux Corporation in accordance with the terms and conditions of the Corporation's share-based incentive schemes 2020 and 2021. After the return, Kamux Corporation held a total of 9,053 own shares.

On March 1, 2024, Kamux announced that the Board of Directors of Kamux Corporation has decided to approve a new long-term incentive Plan for the Group's key persons for 2024–2026. The Plan commences at the beginning of 2024 and it is divided into three one-year performance periods. For the 2024 performance period, the payment of the potential reward from the Plan is based on exceeding the company's operating profit threshold set by the Board of Directors, as well as on the development of earnings per share (ESP) and total shareholder return (TSR) and exceeding a certain ESG target indicator on an annual basis. The Board of Directors has selected 38 key persons, including the CEO, to participate in the Plan. In accordance with the terms and conditions of the Plan, the Board of Directors may decide during the performance period on the admission of new participants to the Plan. If a participant's employment or service ends before the reward payment, the reward will not, as a general rule, be paid. If the maximum targets set for the performance criteria of the performance period 2024 are reached, the total amount of rewards to be paid based on the Plan for the performance period 2024 is approximately EUR 2.5 million (gross), corresponding to an estimated maximum of approximately 456,000 Kamux shares, when the value is calculated based on the volume-weighted average share price of Kamux's share in January 2024. In addition, the Board of Directors has resolved that the long-term share-based incentive plan for 2023–2026 for CEO Tapio Pajuharju, that was announced on June 21, 2023, will be discontinued as of January 1, 2024, and that CEO Tapio Pajuharju will participate in the company's new share-based incentive plan described above as of January 1, 2024. The Board of Directors has decided on a fixed maximum reward for the CEO for the performance period 2024. The maximum reward to be paid for the performance period 2024 is 123,000 shares.

ESTIMATE OF FUTURE DEVELOPMENT

Outlook for the year 2024

Kamux expects its adjusted operating profit for 2024 to exceed its 2023 adjusted operating profit, which was EUR 18.0 million.

Outlook for the year 2023

Kamux expected its adjusted operating profit for 2023 to grow from the year 2022, when the adjusted operating profit was EUR 17.5 million.

Long-term targets

Kamux will publish its updated strategy and long-term targets on Wednesday, March 20, 2024.

PROPOSAL OF THE BOARD OF DIRECTORS FOR DISTRIBUTION OF PROFIT

On December 31, 2023, Kamux Corporation's distributable earnings totaled EUR 116,955,358.20 of which profit for the year was EUR 13,538,869.77. The Board of Directors proposes a dividend of EUR 0.17 per share to be distributed for the year 2023 and that the other distributable earnings be held in unrestricted equity (for the year 2022 a dividend of EUR 0.15 per share was distributed). The Board proposes that the dividend for the financial year 2023 be paid in two installments. The first dividend installment, EUR 0.07 per share, is to be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the first dividend installment payment record date of April 22, 2024. The Board proposes that the first dividend installment pay date be April 29, 2024. The second dividend installment is to be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the second dividend installment payment record date of October 24, 2024. The Board proposes that the second dividend installment pay date be October 31, 2024. The Board proposes that it be authorized to decide, if necessary, on a new dividend payment record date and pay date for the second installment if the rules and statutes of the Finnish book-entry system change or otherwise so require.

ANNUAL GENERAL MEETING

The Annual General Meeting of Kamux Corporation is scheduled to be held on April 18, 2024.

CORPORATE GOVERNANCE STATEMENT AND REMUNERATION REPORT

The Corporate Governance Statement and Remuneration Report are presented as separate sections in Kamux's Annual Report which is published on the week commencing on March 25, 2024. The reports are also available on the company's website at www.kamux.com.

Hämeenlinna March 1, 2024
Kamux Corporation
Board of Directors

Shares and share ownership

SHARE

Kamux Corporation's share capital at the end of the financial year was EUR 80,000 and the number of shares was 40,017,420. The company has one class of shares and each share has one vote at the company's general meeting. In March 2023, a total of 2,060 shares and in September a total of 863 shares were returned to the Company without consideration due to the termination of employment of key persons covered by the plan. At the end of the financial year, the Company held 6,961 treasury shares, representing 0.02% of all shares.

During the financial year, 17,841,413 (42,795,565) Kamux shares were traded on the Nasdaq Helsinki main market. The highest share price for the financial year was EUR 6.26 (11.91) and the lowest price was EUR 4.18 (4.29). On the last trading day of the financial year, December 29, 2023, the closing share price was EUR 5.61 (4.33). Kamux's volume weighted average share price during the year was EUR 5.19 (7.13). Market capitalization, excluding treasury shares, measured at the financial year's closing price was EUR 224.5 million (173.3). The trading symbol on the Nasdaq Helsinki main market is KAMUX, and Kamux is classified as a mediumsized company in the Retail sector.

SHAREHOLDERS AND FLAGGING

At the end of 2023, the number of registered shareholders was 23,342 (26,451). Kamux's largest shareholders on December 31, 2023 were Juha Kalliokoski including both the shares owned by Juha Kalliokoski and by an investment company controlled by closely associated persons to Juha Kalliokoski (14.70%), Danske Invest Finnish Equity Fund (4.24%) and Elo Mutual Pension Insurance Company (5.27%).

In accordance with the rules of the Securities Market Act, shareholders of publicly listed companies must notify both the Financial Supervisory Authority and the listing company of changes in their holdings. During 2023, the company received notices of changes in shareholdings pursuant to Chapter 9, Section 5 of the Finnish Securities Markets Act as follows:

The total holding of funds (Danica Pension Livsforsikringsaktie and Finnish Fund) managed by Danske Bank A/S (Copenhagen, Denmark) in Kamux Corporation shares and votes increased above five (5) percent on January 12, 2023, and was 5.05% following the notification.

The total holding of Elo Mutual Pension Insurance Company in Kamux Corporation shares and votes decreased below five (5) percent on April 13, 2023, and was 4.97% following the notification.

The total holding of funds (Danica Pension Livsforsikringsaktie and Finnish Fund) managed by Danske Bank A/S (Copenhagen, Denmark) in Kamux Corporation shares and votes decreased below five (5) percent on May 9, 2023, and was 4.95% following the notification.

The total holding of funds (Finnish Fund) managed by Danske Bank A/S (Copenhagen, Denmark) in Kamux Corporation shares and votes had increased above five (5) percent on December 4, 2023, and was 5.01% following the notification.

	Largest shareholders December 31, 2023	Share ownership	% of shares
1	Kalliokoski Juha Antero	5,368,834	13.42
2	Danske Invest Finnish Equity Fund	2,004,916	5.01
3	Elo Mutual Pension Insurance Company	1,539,425	3.85
4	Kalliola Jyri Henrikki	1,370,800	3.43
5	Mäkinen Jussi Antero	1,368,299	3.42
6	eQ Nordic Small Cap Mutual Fund	1,195,135	2.99
7	OP-Finland Small Firms Fund	993,768	2.48
8	Aktia Capital Mutual Fund	890,442	2.23
9	Ilmarinen Mutual Pension Insurance Company	824,000	2.06
10	OP-Finland	723,320	1.81
11	FIM Fenno Mutual Fund	622,568	1.56
12	Fondita Nordic Small Cap Fund	530,000	1.32
13	Callardo Capital Oy	525,143	1.31
14	Fondita Nordic Micro Cap Mutual Fund	500,000	1.25
15	Säästöpankki Small Cap Mutual Fund	459,274	1.15
16	Eq Europe Small Cap Mutual Fund	382,271	0.96
17	Säästöpankki Domestic Mutual Fund	354,193	0.89
18	Merivirta Jyri Tapio	240,000	0.60
19	eQ Finland Investment Fund	231,848	0.58
20	Pihlaja Ari Kalevi	220,141	0.55
	20 largest shareholders in total	**20,344,377**	**50.85**

Excludes nominee registered shares and treasury shares. As of December 31, 2023, Kamux held 6,961 treasury shares.

Ownership by sector, December 31, 2023	Owners	% of owners	Shares	% of shares
Companies	822	3.52	4,618,455	13.58
Financial and insurance institutions	42	0.18	6,838,615	20.11
Government entities	4	0.02	2,382,202	7.00
Households	22,400	95.96	19,390,007	57.01
Non-profit organizations	26	0.11	754,774	2.22
Foreign owners	48	0.21	28,356	0.08
Total	**23,342**	**100.00**	**34,012,409**	**100.00**

Includes only book-entry registered shareholders in Finland. The distribution of shareholdings is thus not illustrative of the distribution of the entire shareholding in the company.

Ownership distribution by size, December 31, 2023

Shares	Owners	% of owners	Shares	% of shares
1–100	10,679	45.75	454,670	1.14
101–500	8,351	35.78	2,136,404	5.34
501–1,000	2,231	9.56	1,698,705	4.24
1,001–5,000	1,730	7.41	3,635,081	9.08
5,001–10,000	178	0.76	1,278,744	3.20
10,001–50,000	127	0.54	2,616,328	6.54
50,001–100,000	17	0.07	1,174,630	2.94
100,001–500,000	14	0.06	3,647,647	9.12
500,001–	15	0.06	23,375,211	58.41
Total	**23,342**	**100.00**	**40,017,420**	**100.00**

Includes the treasury shares held by Kamux Corporation.

Key performance measures

Statement of comprehensive income	2023	2022	2021
Revenue	1,002.1	968.7	937.4
revenue growth, %	3.5%	3.3%	29.5%
Gross profit	102.5	94.1	101.3
as percentage of revenue, %	10.2%	9.7%	10.8%
Earnings before interest, tax, depreciation and amortization (EBITDA)	28.7	29.5	39.9
as percentage of revenue, %	2.9%	3.0%	4.3%
Operating profit (EBIT)	15.8	17.0	28.0
as percentage of revenue, %	1.6%	1.8%	3.0%
Adjusted operating profit	18.0	17.5	31.4
as percentage of revenue, %	1.8%	1.8%	3.3%
Balance sheet			
Equity	111.8	108.4	105.7
Non-current liabilities	45.4	47.0	49.8
Current liabilities	58.4	49.2	68.9
Balance sheet total	215.7	204.6	224.5
Net debt	53.8	59.1	70.4
Net working capital	97.4	100.2	103.8
Inventories	117.2	114.1	132.8
Other information			
Number of cars sold	68,257	62,922	68,429
Gross profit per sold car	1,502	1,495	1,480
Sales growth of like-for-like showrooms, %	2.9%	0.6%	19.1%
Inventory turnover, days	46.9	51.5	49.3
Capital expenditures	1.8	3.1	7.4
Average number of employees during the period	885	883	848

Key figures	2023	2022	2021
Return on equity (ROE), %	8.7%	10.1%	19.5%
Return on capital employed (ROI), %	6.6%	7.2%	12.5%
Equity ratio, %	51.9%	53.2%	47.3%
Gearing, %	48.1%	54.5%	66.6%
Per share data			
Earnings per share, basic, €	0.24	0.27	0.49
Earnings per share, diluted, €	0.24	0.27	0.49
Cash flows from operating activities per share, €	0.63	0.65	0.18
Shareholders' equity per share, €	2.79	2.71	2.64
Dividend per share, €	0.17 *	0.15	0.20
Payout ratio, %	70.9%	55.3%	40.7%
Effective dividend yield, %	3.0%	3.5%	1.7%
Price/earnings (P/E) ratio	23.4	16.0	23.4
Highest share price, €	6.26	11.91	18.03
Lowest share price, €	4.18	4.29	10.65
Share price on December 31, €	5.61	4.33	11.47
Market capitalization of share stock, € million**	224.5	173.3	458.6
Turnover of shares, total, (1,000 shares)	17,841	42,796	37,322
Relative turnover of shares, total, %	44.6%	107.0%	93.3%
Average no. of shares (1,000 shares), basic**	39,990	39,983	39,932
Average no. of shares (1,000 shares), diluted**	39,989	39,989	40,001
Total no. of shares (1,000 shares) on December 31**	40,010	40,013	39,981

* Proposal of the Board of Directors to the Annual General Meeting
** Excluding treasury shares

Calculation of key figures and alternative performance measures

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

The alternative performance measures should not be considered separately from measures under IFRS financial statements standards or as substitutes for corresponding measures under IFRS financial statements standards. 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.

TAX REASSESSMENT DECISION

In year 2018, Kamux 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 of 2018. However, Kamux considered the decision to be unfounded and appealed against the decision.

In June 2020, The Finnish Tax Administration's Adjustment Board partially approved the appeal by Kamux on the tax reassessment decision and ruled that the company receive a refund of approximately EUR 0.9 million. Kamux recognized the total amount of the refund, EUR 0.9 million, in its result for the second quarter of 2020 as credit in other operating expenses. Both parties have the opportunity to appeal the decision. Kamux considers the decision of the Adjustment Board partly unfounded, and the company has placed the issue before the Administrative Court and applied for a rectification of the Adjustment Board's ruling. In December 2022, the Administrative Court rejected Kamux's appeal for the most part. Kamux filed an application for leave to appeal and an appeal to the Supreme Administrative Court in January 2023. In September 2023, Kamux was notified that no leave to appeal was granted.

Reconciliation of adjusted operating profit

EUR million	2023	2022
Operating profit (EBIT)	**15.8**	**17.0**
Strategic investigations	0.4	0.1
Legal processes	0.2	-0.1
Taxes related to previous financial years	0.4	0.2
Own real estate operations	0.2	0.2
Other adjustment items*	1.0	-
Total adjustment items	2.2	0.4
Adjusted operating profit	**18.0**	**17.5**

* Includes remuneration and compensations agreed in Tapio Pajuharju's CEO contract as well as restructuring costs.

Calculation of key figures

Gross profit = Revenue + Other operating income – Materials and services

Earnings before interest, tax, depreciation, and amortization (EBITDA) = Operating profit + Depreciation and amortization

Adjusted operating profit (EBIT) = Operating profit adjusted for special items relating to strategic planning, legal processes, own real estate operations, taxes related to previous financial years and costs relating to other items.

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

$$= 100 \times \left(\frac{\text{Like-for-like showroom car sales}}{\text{Like-for-like showroom car sales in the previous year}} - 1 \right)$$

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.

Inventory turnover

$$= 365 \times \frac{\text{Inventories (average for 12 months)}}{\text{Materials and services (rolling 12 months)}}$$

Return on equity (ROE), %

$$= 100 \times \frac{\text{Profit for the period (rolling 12 months)}}{\text{Equity (average for 12 months)}}$$

Return on capital employed (ROI), %

$$= 100 \times \frac{\text{Profit for the period + Finance costs (rolling 12 months)}}{\text{Equity + Financial debt (average for 12 months)}}$$

Equity ratio, %

$$= 100 \times \frac{\text{Equity}}{\text{Balance sheet total – Advance payments received}}$$

Gearing, %

$$= 100 \times \frac{\text{Net debt}}{\text{Equity}}$$

Earnings per share, basic

$$= \frac{\text{Profit for the period (attributable to owners of the Company)}}{\text{Weighted average number of outstanding shares adjusted for share issue for the period}}$$

Net working capital = Inventories + Trade and other receivables + Current income tax receivables – Trade and other payables – Current income tax liabilities – Non-current and current provisions

Dividend per share, EUR = Dividend per share approved by the Annual General Meeting with respect to the most recent year, the Board's proposal to the AGM

Payout ratio, %

$$= 100 \times \frac{\text{Dividend/share}}{\text{Share of EPS belonging to parent company owners}}$$

Effective dividend yield, %

$$= 100 \times \frac{\text{Dividend/share adjusted for share issue}}{\text{Final quotation at close of period adjusted for share issue}}$$

Price/earnings (P/E) ratio

$$= \frac{\text{Final quotation at close of period adjusted for share issue}}{\text{Share of EPS belonging to parent company owners}}$$

Shareholders' equity per share, EUR

$$= \frac{\text{Equity attributable to equity holders of the parent}}{\text{Basic number of shares at the end of period adjusted for share issue}}$$

Market capitalization of share stock, EUR = Number of shares x closing price at the end of period

Consolidated Financial Statements 31.12.2023

Kamux's (Company ID 2442327-8) business is based on an effective integrated business model in the sale of used cars. Kamux's goal is to continuously develop its operations and services to better meet customers´ needs. In the presentation of consolidated financial statements, Kamux also focuses on information relevant to the users of financial statements and strives to report Kamux's financial performance in 2023 and 2022 clearly and concisely.
In addition to primary statements the consolidated financial statements include five sections: Basis of Preparation and Information on Kamux, Key Performance Metrics of Kamux Group, Net Working Capital, Capital Management and Net Debt and Other Notes. Each part also explains related significant accounting principles. This manner of presenting information aims at providing the reader with a clear understanding of the Group's financial position and on how the applied accounting policies impact the figures presented in the financial statements.

Primary statements of the consolidated financial statements

Consolidated statement of comprehensive income

		For the year ended December 31,	
EUR million	**Note**	**2023**	**2022**
Revenue	2.2	**1,002.1**	**968.7**
Other operating income	2.2	1.2	1.1
Materials and services	2.3, 2.4	-900.8	-875.7
Personnel costs	2.4	-54.7	-46.9
Other operating expenses	2.4	-19.1	-17.7
Depreciation and amortization	2.4	-12.9	-12.4
Operating profit		**15.8**	**17.0**
Finance income and costs	4.2	-1.9	-1.8
Profit before income tax		**13.9**	**15.3**
Income tax	2.5	-4.3	-4.4
Profit for the period		**9.6**	**10.8**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Translation differences		-0.1	-0.3
Other comprehensive income for the period, net of tax		**-0.1**	**-0.3**
Total comprehensive income for the period		**9.5**	**10.5**
Profit for the period attributable to			
owners of the Company		9.6	10.8
Total comprehensive income for the period attributable to			
owners of the Company		9.5	10.5
Earnings per share for profit attributable to owners of the Company	2.6		
Earnings per share, basic and diluted, EUR		**0.24**	**0.27**

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

Consolidated balance sheet

EUR million	Note	At December 31, 2023	2022
ASSETS			
Non-current assets			
Intangible assets	5.2	4.6	5.9
Goodwill	5.2	14.0	14.0
Property, plant and equipment	5.2	7.1	6.9
Lease assets	5.2	41.0	39.2
Other receivables		0.2	0.2
Deferred tax assets	5.5	1.4	1.3
Total non-current assets		**68.2**	**67.4**
Current assets			
Inventories	3.1	117.2	114.1
Trade and other receivables	3.2	20.8	17.2
Current tax assets		0.5	1.6
Cash and cash equivalents	4.1	8.9	4.2
Total current assets		**147.5**	**137.1**
TOTAL ASSETS		**215.7**	**204.6**

EUR million	Liitetieto	At December 31, 2023	2022
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company	5.4		
Share capital		0.1	0.1
Reserve for invested unrestricted equity		24.7	24.7
Translation differences		-0.4	-0.3
Retained earnings		77.8	73.0
Profit for the period		9.6	10.8
Total equity attributable to owners of the Company		**111.8**	**108.4**
Non-current liabilities			
Borrowings	4.1	13.2	15.5
Lease liabilities	5.2	31.9	31.2
Other non-current liabilities		0.0	0.0
Provisions	3.4	0.4	0.4
Total non-current liabilities		**45.4**	**47.0**
Current liabilities			
Borrowings	4.1	7.3	7.3
Lease liabilities	5.2	10.3	9.3
Derivative financial instruments	4.1	0.0	0.2
Trade and other payables	3.3	37.1	29.3
Provisions	2.3, 3.4	3.6	3.1
Total current liabilities		**58.4**	**49.2**
Total liabilities		**103.9**	**96.2**
TOTAL EQUITY AND LIABILITIES		**215.7**	**204.6**

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

EUR million	Note	Share capital	Reserve for invested unrestricted equity	Translation differences	Treasury shares	Retained earnings	Total equity
Equity at Jan 1, 2023		**0.1**	**24.7**	**-0.3**	**-**	**83.8**	**108.4**
Profit for the period						9.6	9.6
Other comprehensive income				-0.1			-0.1
Total comprehensive income				**-0.1**		**9.6**	**9.5**
Transactions with owners:							
Share-based payments	5.3					-0.0	-0.0
Dividends for owners						-6.0	-6.0
Equity at Dec 31, 2023		**0.1**	**24.7**	**-0.4**	**-**	**87.4**	**111.8**
Equity at Jan 1, 2022		**0.1**	**24.7**	**0.0**	**-0.0**	**81.0**	**105.7**
Profit for the period						10.8	10.8
Other comprehensive income				-0.3			-0.3
Total comprehensive income				**-0.3**		**10.8**	**10.5**
Transactions with owners:							
Conveyance of treasury shares	5.4				0.0		0.0
Share-based payments	5.3					0.1	0.1
Dividends for owners						-8.0	-8.0
Equity at Dec 31, 2022		**0.1**	**24.7**	**-0.3**	**-**	**83.8**	**108.4**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

EUR million	Note	For the year ended December 31, 2023	2022
Cash flows from operating activities			
Profit for the period		**9.6**	**10.8**
Adjustments for:			
Depreciation and amortization	2.4	12.9	12.4
Finance income and costs	4.2	1.9	1.8
Change in provisions	2.3, 3.4	0.5	-0.2
Write-down of inventories	3.1	-0.3	0.7
Income taxes	2.5	4.3	4.4
Other non-cash items		0.1	0.2
Changes in working capital:			
Change in trade receivables and other receivables	3.2	-3.8	0.8
Change in trade payables and other payables	3.3	7.9	-11.9
Change in inventories	3.1	-2.8	15.4
Interests paid		-2.7	-1.2
Other financial items, net		1.0	0.1
Income taxes paid		-3.3	-7.5
Net cash inflow (outflow) from operating activities		**25.2**	**26.1**
Cash flows from investing activities			
Investments in property, plant and equipment	5.2	-1.2	-1.9
Investments in intangible assets	5.2	-0.6	-1.2
Net cash inflow (outflow) from investing activities		**-1.8**	**-3.1**

EUR million	Note	For the year ended December 31, 2023	2022
Cash flows from financing activities			
Proceeds from bank loans	4.1	25.9	24.4
Repayments of bank loans	4.1	-28.2	-27.0
Repayments of lease liabilities	5.2	-10.1	-9.6
Dividends paid		-6.0	-8.0
Other cash flows from financing activities		-0.0	0.1
Net cash inflow (outflow) from financing activities		**-18.4**	**-20.2**
Net decrease/increase in cash and cash equivalents		**5.1**	**2.8**
Cash and cash equivalents at the beginning of the period		4.2	0.9
Effects of exchange rate changes on cash and cash equivalents		-0.4	0.6
Cash and cash equivalents at the end of period		**8.9**	**4.2**

The above consolidated statement of cash flow should be read in conjunction with the accompanying notes.

1 Basis of preparation and information on Kamux

1.1 Basis of preparation

General information

These are the financial statements of Kamux Corporation (the "Company") and its subsidiaries (together referred as "Kamux", or "Group"). Kamux is a rapidly grown retail chain operating in Finland, Sweden and Germany specializing in used car sales.

The parent company's company ID is 2442327-8, domicile is Hämeenlinna and the registered address of the head office is Parolantie 66 A, 13130 Hämeenlinna.

The Company's Board of Directors has approved these financial statements at its meeting on March 1, 2024.

According to the Finnish Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, conforming to the IAS standards and IFRS standards as well as IFRIC interpretations applicable as of December 31, 2023. The notes to the financial statements also comply with Finnish accounting and corporate legislation complementing the IFRS standards.

Assets and liabilities are measured at cost, except for tangible and intangible assets that are measured at acquisition cost less accumulated depreciations and amortizations, inventory that is measured at lower of cost and net realizable value, lease agreements that are measured at the net present value of the future lease payments and derivative instruments that are measured at fair value through profit or loss. Financial statements are presented in millions of euros. The figures presented in the financial statements are rounded and therefore the sum of individual figures may differ from the presented sum figure.

The consolidated financial statements are presented in euros, which is the functional and reporting currency of the parent company. Transactions denominated in foreign currency are translated into euro by using the exchange rate prevailing at the transaction date. The income statements of the foreign subsidiaries are translated into euros by using the weighted average exchange rate for the period and balance sheets are translated into euros by using the exchange rate prevailing at the balance sheet date.

In addition to primary statements the consolidated financial statements are divided into five sections: Basis of Preparation and Information on Kamux, Key Performance Metrics of Kamux Group, Net Working Capital, Capital Management and Net Debt and Other Notes. Each section includes related significant accounting policies.

Accounting estimates and judgments in the financial statements

Preparing the financial statements in accordance with IFRS requires management to make accounting estimates and judgments as well as assumptions that influence the application of the accounting policies and the carrying amounts of assets, liabilities, revenue and expenses. Actual outcomes may differ from these estimates and judgments.

Estimates and judgments are regularly reviewed. Changes in estimates are reported in the period in which the change is made if the change affects only that period, or in the period in which the change is made and in future periods if the change affects both the current and future periods.

Assumptions underlying management's estimates can be found in the following notes to the financial statements:

Source of uncertainty and managerial judgments	Note
Repair liability costs	2.3 and 3.4
Valuation of used cars	3.1
Goodwill	5.2
Lease agreements	5.2
Deferred tax assets	5.5

1.2 Short presentation of Kamux

Kamux is a rapidly grown retail chain specialized in used cars and related integrated services. The first Kamux car showroom was opened in 2003 in Finland. At the end of 2023, Kamux had a total of 78 showrooms: 46 in Finland, 23 in Sweden and 9 in Germany. In addition, Kamux served its customers online in Finnish, Swedish and German. Since its founding, Kamux has sold more than 500,000 used cars.

Juha Kalliokoski founded Kamux in 2003 in Hämeenlinna, where Kamux's head office is still located. In 2010, Kamux had grown into a chain of 14 showrooms and started systematically offering integrated services to its customers. In 2011, the Finnish company KMX Holding Oy (now Kamux Corporation), founded by private equity firm Intera Partners, acquired control of Kamux with the existing management staying as company shareholders. With the inclusion of Intera, Kamux gained more resources and know-how to expand its business in Finland and abroad. At the end of 2012, Kamux expanded to Sweden and in December 2015 to Germany.

In 2017, Kamux was listed on Nasdaq Helsinki, gaining more than 1,200 new shareholders in the IPO. Intera Fund II Ky remained the company's largest shareholder. In September 2020, Intera Fund II Ky completely divested from Kamux after having already reduced its holdings earlier. In fall 2022, Juha Kalliokoski decided to resign as the company's CEO, and Tapio Pajuharju was appointed as the new CEO of Kamux. Pajuharju assumed his position on June 1, 2023.

On December 31, 2023, the company had a total of 23,342 shareholders. Kamux's founder Juha Kalliokoski is the company's largest shareholder when both Kalliokoski's direct holdings as well as shares owned by an investment company controlled by closely associated persons to Kalliokoski are added together.

Kamux's business is based on a combination of car showrooms and online presence, professional procurement of used cars, low fixed costs, fast inventory turnover and the sale of integrated services. Kamux's business model enables the sale of cars at an affordable price. Kamux strives to continuously develop its operations in such a way that the services it offers best meet the changing needs of customers. Kamux offers its customers third-party financing products in all of its showrooms in Finland, Sweden and Germany. In addition, Kamux offers third-party insurance products as well as its own liability extension product, Kamux Plus, for unexpected car repair costs in Finland and Sweden. A key component of Kamux's customer service concept is the home delivery service, where the car is delivered to the place agreed with the customer and at the same time a possible trade-in car is picked up, when necessary. Digital channels play a key role in the customer's purchase process, as the purchase of a car typically starts online. Kamux also serves its customers via chat. Kamux's website (kamux.fi/kamux.se/kamux.de) had about 1,000,000 monthly visits in 2023.

Kamux acquires used cars from car auctions, leasing companies, other car dealers, finance companies, importers, private individuals and other sources. The majority of the used cars sold by Kamux are acquired from its customers as trade-in cars. Kamux has a separate purchasing organization, which is responsible for car purchases from, for example, car auctions and partly also for consumer purchases. Kamux strives to align its own and its employees' interests through its incentive scheme. The sales personnel's incentive scheme takes into account sales, car purchases and trade-in cars, as well as sales of integrated services when determining the remuneration.

Kamux's entire range of cars is available for sale by all of its sellers and showrooms, and if necessary, Kamux will transfer the car from one showroom or country to another once the sale is agreed upon.

2
Key performance metrics of Kamux Group

Results by segment

Revenue

Repair costs

Expenses

Income taxes

Earnings per share

2.1 Results by segment

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

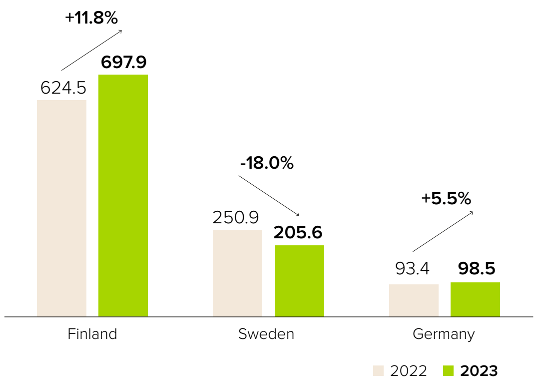
Management has defined the Group's reportable segments based on the reporting regularly presented to the CEO of the Group. This reporting forms the basis for the CEO's strategic and operative decisions to allocate resources and for assessing performance. The primary measure of performance is operating profit (EBIT). The CEO also receives information about segments' revenue, gross profit and operating profit on a monthly basis. Reportable segments comprise the following geographical areas: Finland, Sweden and Germany. Other activities consist of head office, real estate company and Group functions, including centralized procurement, marketing, finance, communications and Group management.

Kamux had 46 showrooms in Finland on December 31, 2023.

In Sweden Kamux opened its first showroom in December 2012 and at the end of December 2023, it operated 23 showrooms which are located in different areas of Sweden.

Kamux's growth strategy includes international expansion and, in accordance with the strategy, Kamux started its operations in Germany by opening its first showroom in Hamburg area in December 2015. At the end of 2023 Kamux operated 9 showrooms in Germany. The showrooms are located in Hamburg and in Schleswig-Holstein, Lower Saxony and Nordrhein-Westfalen states.

External revenue by segment (EUR million)



ACCOUNTING POLICY – SEGMENT REPORTING

Segment revenue and expenses are items directly attributable to the operating segment. Certain expenses such as centralized procurement are allocated to the segments on a reliable basis in the internal management reporting. Other activities comprise Group level operations that are not directly employed by the individual segment in its operating activities. Sales between segments are carried out on arm's length and eliminated on consolidation. Segment reporting is based on the Group's IFRS financial statements reporting.

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
2023							
Revenue	**698.0**	**283.4**	**102.1**	**1,083.5**		**-81.4**	**1,002.1**
internal	0.1	77.7	3.6	81.4		-81.4	0.1
external	697.9	205.6	98.5	1,002.0			1,002.0
sales of used cars	654.6	199.8	94.7	949.1			949.1
integrated services	43.3	5.9	3.8	53.0			53.0
Gross profit	**75.1**	**19.1**	**8.3**	**102.5**			**102.5**
EBITDA	**35.2**	**3.4**	**-0.6**	**38.0**	**-9.3**		**28.7**
Depreciation and amortization	-6.9	-3.2	-1.2	-11.3	-1.6		-12.9
Operating profit	**28.3**	**0.3**	**-1.8**	**26.7**	**-10.9**		**15.8**
Finance income and costs							-1.9
Profit before income tax							**13.9**

Definition of key measures	
Gross profit	Revenue + Other operating income – Materials and services
EBITDA	Operating profit + depreciation and amortization
Operating profit (EBIT)	Profit for the period + income tax + net finance costs

EUR million	Finland	Sweden	Germany	Segments total	Group functions	Eliminations	Group
2022							
Revenue	**624.5**	**301.3**	**95.5**	**1,021.2**		**-52.6**	**968.7**
internal	-0.0	50.4	2.1	52.5		-52.6	-0.1
external	624.5	250.9	93.4	968.8			968.8
sales of used cars	582.1	244.6	89.1	915.9			915.9
integrated services	42.4	6.3	4.2	52.9			52.9
Gross profit	**67.6**	**18.0**	**8.5**	**94.1**			**94.1**
EBITDA	**34.7**	**2.5**	**0.9**	**38.1**	**-8.6**		**29.5**
Depreciation and amortization	-8.2	-3.1	-1.1	-12.4	-0.0		-12.4
Operating profit	**26.5**	**-0.6**	**-0.2**	**25.7**	**-8.6**		**17.0**
Finance income and costs							-1.8
Profit before income tax							**15.3**

Of the Group's non-current assets, except for deferred tax assets, EUR 42.3 million as of December 31, 2023 (EUR 40.6 million as of December 31, 2022) were located in Finland. The corresponding amounts for Sweden were EUR 17.1 million (EUR 17.5 million as of December 31, 2022) and for Germany EUR 7.5 million (EUR 8.0 million as of December 31, 2022).

2.2 Revenue

Kamux's business consists of retail and wholesale sales of used cars in Finland, Sweden and Germany and of integrated services sold to consumer and corporate customers. These have been identified as separate performance obligations. Sales are based on the network of physical showrooms and efficient online showrooms in Kamux's websites in these countries. Kamux offers a home delivery service, in which Kamux delivers the car to the place agreed with the client. The car delivered to the customer's home has a 14-day right of return. Kamux also sells used cars in auctions.

Kamux offers its customers financing and insurance products provided by third parties in connection with the sale of the used car. The credit and insurance risks for these products are borne by finance and insurance companies. Kamux is entitled to financing fees and insurance commissions from its sales of these products. Parts of the fees are contingent on the continuation of the agreement between the finance company and the client.

In addition, Kamux offers its customers a Kamux Plus service, which extends the seller's statutory liability for defects. Customers can choose between several options of Kamux Plus service. Depending of the option chosen, Kamux repairs predefined car defects that are detected within 12 or 24 months of the purchase of a car or until 20,000 or 40,000 driven kilometers, depending on which threshold is reached first. Kamux Plus is part of the car sales contract and it will therefore be taken into account when determining the sales price of a car.

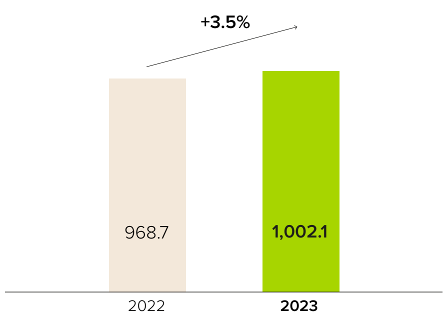
>> Read more about the Kamux Plus service in note 2.3.

Revenue	**For the year ended December 31,**	
EUR million	**2023**	**2022**
Sales of used cars	949.1	915.8
Financing fees and Insurance commissions	42.4	44.8
Sales of Kamux Plus	10.6	8.1
Total	**1,002.1**	**968.7**

Revenue from sales of used cars was EUR 949.1 million, or 94.7 percent of total revenue during the financial year 2023. In 2022 such revenue was EUR 915.8 million, or 94.5 percent of total revenue.

Financing fees and insurance commissions amounted to EUR 42.4 million during 2023, comprising 4.2 percent of total revenue. In 2022 fees and commissions were EUR 44.8 million or 4.6 percent of total revenue. Revenue from sales of the Kamux Plus service was EUR 10.6 million for the year ended December 31, 2023, and EUR 8.1 million in 2022.

Group revenue, EUR million



External revenue generated in Finland was EUR 697.9 million and represented 69.6 percent of total Group revenue during 2023. In 2022 corresponding revenue was EUR 624.5 million, or 64.5 percent of total Group revenue. In Sweden external revenue amounted to EUR 205,6 million during 2023, or 20.5 percent of total Group revenue. In 2022 corresponding revenue was EUR 250.9 million, or 25.9 percent of total Group revenue. In Germany external revenue amounted to EUR 98.5 million during 2023, or 9.8 percent of total Group revenue. In 2022 corresponding revenue was EUR 93.4 million or 9.6 percent of total Group revenue.

Other operating income in the Kamux Group amounted to EUR 1.2 million in 2023 and EUR 1.1 million in 2022, and comprised mainly from insurance compensations, rental income from premises and income from customer's responsibility of the Kamux Plus service.

>> Read more about segment revenue in note 2.1.

Contract based balance sheet items

Contract based assets and liabilities according to IFRS 15 comprise of accrued insurance commissions and financing fees included in the prepaid expenses and accrued income, and advance payments received relating to Kamux Plus service included in accrued expenses and deferred income. In the following table is presented the contract based balance sheet items according to IFRS 15:

	At December 31,	
EUR million	**2023**	**2022**
Contract based assets included in prepaid expenses and accrued income	4.2	4.5
Contract based liabilities included in accrued expenses and deferred income	10.0	6.0

ACCOUNTING POLICY – REVENUE

IFRS 15 Revenue from Contracts with Customers -standard includes a five-step model by which sales revenue is recognized when control of a good or service transfers to a customer. Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

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

In the sales of used cars the control of a good sold transfers to the customer at the time of delivery. The sales of used cars are recognized as revenue upon delivery of the car to the customer and upon transfer of the performance obligation to the customer. At the time of delivery, the customer pays the sales price by cash or the finance company provides Kamux an approved credit decision as a payment for the sales price. Home delivered cars have a 14-day right of return. Revenue on home delivered cars is recognized upon delivery to the extent Kamux estimates to be entitled to.

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

In integrated services regarding the financial and insurance services provided by a third party, Kamux acts as an agent towards the customer. Kamux presents the income derived from sales of financing and insurance services in its revenue as net amount after Kamux has fulfilled its performance obligation of sales of the services.

Insurance commissions from insurance companies are recognized as revenue when the service is rendered, i.e. when the insurance contract is signed with the customer and Kamux is entitled to a commission fee in accordance with its agency contract. Insurance commissions are paid mainly during the month following the rendering of the service.

Financing fees from finance companies comprise fixed withdrawal and invoicing fees, variable interest fees and annual bonus fees. Fees are recognized as revenue on an accrual basis when the contract is signed with the customer or during the term of the agreement when Kamux is entitled to a payment from the finance company. Annual bonus fees are determined on percentage basis of the actual sales during a calendar year and they are recognized when Kamux is entitled to receive the payment from the financing company. Financing fees are paid during the maturity of each financing agreement signed with the customer in accordance with the agreement with the financing company.

The Kamux Plus service is recognized as revenue on a straight-line basis over the 12 or 24 months warranty period. Kamux Plus service provides the customer with a customer liability extension in connection with a used car sale.

2.3 Repair costs

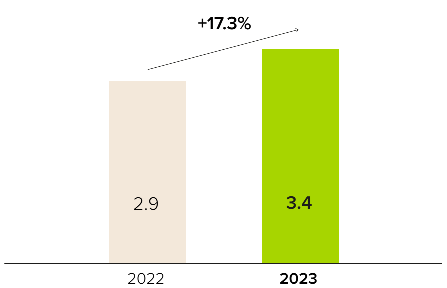
Kamux's customer service and customer satisfaction strategy is based on offering used cars that are high-quality and reconditioned. Any deficiencies in the cars are disclosed to the customer during the sale process.

Used cars include the seller's statutory repair liability. In Finland and Germany a car dealer has a liability to repair undisclosed defects that become apparent within one year after the purchase of the car (unless Kamux can prove that the defects arose subsequent to the sale). After one year, the burden of proof is transferred from Kamux to the customer. In Sweden the repair liability is two years after the purchase of the car.

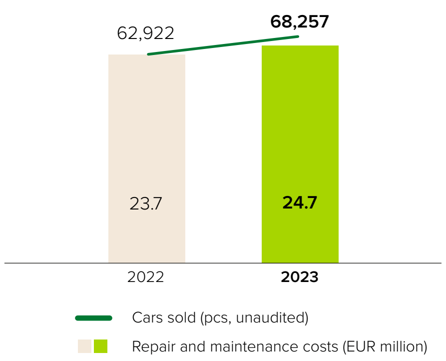
In addition to the statutory repair liability, Kamux offers its customers the Kamux Plus services, which extends the seller's liability for defects. Depending on the Kamux Plus service option, Kamux repairs predefined defects that are detected within 12 or 24 months following the purchase of the car or within 20,000 or 40,000 driving kilometers, whichever comes first.

Repair liability provision amounted to EUR 3.4 million as at December 31, 2023 and EUR 2.9 million as at December 31, 2022. Repair and maintenance costs amounted to EUR 24.7 million during the financial year 2023, and to EUR 23.7 million during the financial year 2022. The repair liability provision is expected to be used in the following 12 months. Repair liability costs and other repair and maintenance costs are reported in "materials and services" in the consolidated statement of comprehensive income.

Repair liability provision, EUR million



Cars sold & repair and maintenance cost



ACCOUNTING POLICY – REPAIR LIABILITY PROVISION

Estimated repair liability cost is recognized as repair liability provision when the car is sold. The amount of repair liability provision is based on historical statistics about realized repair liability costs and the estimated trend of repair liability costs.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS – REPAIR LIABILITY PROVISION

Repair liability provision is recognized based on the actual repair costs and the estimate on the development of repair liability costs. There is uncertainty between actual and estimated repair liability costs because repair liability costs may not necessarily be realized as predicted. Typically repair liability costs are realized frontloaded during the repair liability period. Estimates and assumptions are reviewed quarterly. Differences between actual and estimated repair liability costs may impact the provision amounts recognized in future periods.

>> **Read more on repair liability provision in note 3.4.**

2.4 Expenses

EUR million	For the year ended December 31, 2023	2022
Materials and services		
Purchases during the period	903.9	859.4
Change in inventories	-3.3	16.2
External services	0.1	0.1
Total	**900.8**	**875.7**
Personnel costs		
Wages and salaries	44.6	38.0
Pension costs	5.6	4.9
Share-based incentive scheme	0.1	0.2
Other employee benefit expenses	4.3	3.9
Total	**54.7**	**46.9**
Other operating expenses		
Premises costs	3.6	3.3
Marketing and advertising expenses	6.0	6.1
IT costs	2.5	2.5
Consulting	1.5	0.9
Voluntary personnel expenses	1.3	1.0
Rental costs of external personnel	0.2	0.2
Travel expenses	0.4	0.3
Taxes from previous financial years	0.2	-
Other administrative expenses	3.5	3.3
Total	**19.1**	**17.7**

EUR million	For the year ended December 31, 2023	2022
Auditors' fees (included in line other administrative expenses)		
Audit fees	0.3	0.2
Other audit related services	0.0	0.0
Total	**0.4**	**0.2**
Depreciation and amortization by class		
Intangible assets	1.9	1.8
Property, plant and equipment	11.0	10.7
Total	**12.9**	**12.4**

Materials and services

Kamux purchases most of its used cars as trade-in cars. Kamux also acquires cars from private individuals, car auctions, leasing companies, finance companies, other car dealers, importers and other sources. Materials and services include the cost to acquire used cars and the reconditioning and transportation costs associated with preparing cars for sale. It also includes repair costs associated with repair liability and change in inventories.

Personnel costs

Kamux's average number of full-time equivalent employees was 885 during the financial period 2023 and 883 in 2022. Employee remuneration is based on fixed and variable salary. The proportionate share of the variable compensation is significant and is based on the achievement of individually determined sales targets. In addition, some employees have car allowance, telephone allowance and internet access at home.

Kamux's pension arrangements are classified as defined contribution plans. The Finnish statutory pension plan under TyEL is arranged through insurance companies and provides pension benefits based on the years of employment and earnings. The retirement age of the old-age pension under TyEL is 63–70 years. Employees in Sweden and Germany belong to defined contribution plans. For the employees in Sweden, an additional pension plan, classified as a defined contribution plan, is in use. In Sweden, retirement age is 63-69 years, and in Germany 65-67 years.

In defined contribution plans, insurance contributions are paid to insurance companies and recognized as an expense in the financial period the charge relates to. There are no other payment obligations in the defined contributions plans.

Employee benefit expenses in 2023 include EUR 0.1 million and in 2022 EUR 0.2 million costs accrual related to the share-based incentive scheme.

>> Read more about the management's wages and remuneration in note 5.3.

Premises costs

Premises costs consist of premises related costs such as heating, cleaning and electricity, as well as those rental payments for showrooms and office space that are not in the scope of IFRS 16.

>> Read more about leasing obligations in note 4.3.
>> Read more about lease agreements in note 5.2.

Depreciation and amortization

Depreciation on property, plant and equipment include also depreciation on lease assets in accordance with IFRS 16.

2.5 Income taxes

	For the year ended December 31,	
EUR million	**2023**	**2022**
Current tax	4.4	4.3
Tax on previous years	-	-
Change in deferred tax assets and liabilities	-0.1	0.1
Total	**4.3**	**4.4**
Reconciliation of income tax expense		
Profit before income tax expense	13.9	15.3
Tax calculated at the Finnish tax rate*	2.8	3.1
Non-deductible expenses	0.2	0.3
Difference in foreign tax rates	-0.5	-0.3
Tax losses carried forward for which a deferred tax asset has not been recognized	1.8	1.3
Other temporary differences for which a deferred tax asset has not been recognized	-0.0	-0.0
Utilization of previously unrecognized tax losses carried forward	-	-0.0
Other items	0.0	-0.0
Income tax expense	**4.3**	**4.4**

* Tax rate was 20% in 2023 and 2022.

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

ACCOUNTING POLICY – INCOME TAXES

Income taxes for the period include current and deferred taxes. Current income tax is the tax to be paid or received with respects to the current financial year, with the application of tax rates that have been enacted or substantively enacted by the balance sheet date. Current income taxes are calculated on the basis of the tax regulations prevailing in the countries in which Kamux operates and generate taxable income. Current tax also includes adjustments for current income tax attributable to earlier periods.

Deferred taxes are recognized on temporary differences that arise between the taxable value and carrying value of assets and liabilities. Deferred tax assets are recognized to the extent that it is probable that they will be utilized against taxable income.

Pillar II

Pillar II is the OECD's initiative to address tax challenges related to the digitalisation of the global economy by introducing Global Anti-Base Erosion (GloBE) rules and a related 15% global minimum tax. The European Union's Council Directive (EU) 2022/2523 entered into force in December 2022, according to which the EU Member States shall transpose the GloBE rules into their domestic law by 31 December 2023. However, Finland among several other EU member states has not adopted the GloBE rules by the end of 2023.

According to the IASB's published amendments to IAS 12, Kamux has applied the exception provided in IAS 12 paragraph 4A and has neither recognised nor disclosed information about deferred tax assets or liabilities related to Pillar II income taxes.

Based on the impact analysis performed, income taxes calculated based on Pillar II are not expected to have a material impact on the income taxes of the Group.

2.6 Earnings per share

	For the year ended December 31,	
	2023	**2022**
Profit for the period attributable to Owners of the Company (EUR million)	9.6	10.8
Impact of share-based compensation scheme on number of shares	-22	-22
Weighted average number of shares outstanding during the period, basic, in thousands of shares	39,990	39,983
Earnings per share, basic (EUR)	**0.24**	**0.27**
Impact of share-based compensation scheme on number of shares	-22	-18
Weighted average number of shares outstanding during the period, fully diluted, in thousands of shares	39,989	39,989
Earnings per share, fully diluted (EUR)	**0.24**	**0.27**

ACCOUNTING POLICY – EARNINGS PER SHARE

Basic EPS is calculated by dividing the consolidated profit for the period attributable to the owners of the Company with the weighted average number of shares outstanding during the year excluding the treasury shares.

Diluted EPS is calculated on the same basis as Basic EPS except that it reflects the impact of any potential commitments the Group has to issue shares in the future.

3
Net working capital

Inventory

Trade and other receivables

Trade and other payables

Provisions and other commitments

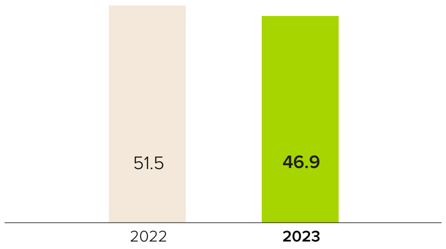
3.1 Inventory

Due to its effective process to acquire used cars, Kamux is able to offer a broad collection of different car brands at competitive prices. Kamux acquires cars from car auctions, leasing companies, other car dealers, finance companies, importers, private persons and other sources. Kamux purchases most of the used cars from customers as trade-in cars as part of the used car sale. Inventory is located in different showrooms. Every salesman is able to sell used cars from all Kamux's showrooms utilizing the Group-wide inventory information. Inventory management is well organized and advanced IT-systems are utilized to achieve an optimal balance between cars in inventory and quick inventory turnover.

Inventories amounted to EUR 117.2 million on December 31, 2023. On December 31, 2022 inventories amounted to EUR 114.1 million.

Revaluations of inventories to net realizable value amounted to EUR 0.3 million during 2023 which had a positive impact to result. In 2022 write-downs amounted to EUR -0.7 million.. These revaluations were recognized through profit or loss during the financial years and were included in changes in inventory in line item "materials and services".

Inventory turnover, days



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

ACCOUNTING POLICY – INVENTORY

Inventory is measured at lower of cost or net realizable value. The cost of an individual car included in the inventory balance is determined using the purchase price for the car including directly attributable repair costs for reconditioning the car for selling purposes.

At each reporting date, a detailed review for net realizable value is executed for cars that have been in inventory for more than 90 days. Any adjustments to net realizable value are expensed through profit or loss.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS – INVENTORY

The estimated selling price of the car (net realizable value) at the reporting date is determined based on the managerial judgment, market information and historical data. If the estimated selling price of the car is lower than the cost, the inventory value for the car will be written down.

3.2 Trade and other receivables

	At December 31,	
EUR million	**2023**	**2022**
Trade receivables	14.7	11.1
Prepaid expenses and accrued income	4.8	5.1
Other receivables	1.3	0.9
Total	**20.8**	**17.2**
Material items included in prepaid expenses and accrued income		
Insurance and finance commission fees	4.2	4.5
Other	0.5	0.6
Total	**4.8**	**5.1**

Trade receivables and credit riski

Trade receivables consist mainly of receivables from finance companies, with the exception of insignificant amounts of receivables from individual customers to whom Kamux has sold a car with a short-term payment period. Generally, receivables originate when there is a temporary time lag between the approved credit decision (i.e. when revenue is recognized) and a payment is made by the finance company. However, once the finance company has approved the credit application of Kamux's customer, the credit risk of the car sale is borne by the finance company.

Kamux has a temporary credit risk from finance companies between the approved credit decision and payment. The Company mitigates the credit risk by dealing with highly rated finance company counterparties.

At the end of the financial year there was no need for an impairment based on the provision matrix due to non-existence of material past due trade receivables as of December 31, 2023.

Impairment losses of trade receivables recognized in profit or loss amounted to EUR 0.1 million during the year 2023. In 2022 impairment losses of trade receivables were EUR 0.1 million.

Other receivables

Other receivables comprise mainly from receivables related to value added taxes.

ACCOUNTING POLICY – IMPAIRMENT OF FINANCIAL ASSET

In accordance with IFRS 9 Financial Instruments –standard the impairment of financial asset is based on the expected credit loss method. The significant financial assets of Kamux are trade receivables arising from normal business operations. For these trade receivables the group applies a simplified provision matrix approach. According to this approach, a loss is recognized by using the provision matrix, except for situations where financial assets are assessed to be impaired due to credit risk. In Kamux the amount of impairment losses from trade receivables has been historically low.

3.3 Trade and other payables

EUR million	At December 31, 2023	2022
Trade payables*	9.4	7.0
Accrued expenses and deferred income	19.5	13.4
Other payables**	8.2	8.8
Total	**37.1**	**29.3**
Material items included in accrued expenses and deferred income		
Accrued salaries	7.9	6.1
Accrued interests	0.3	0.0
Other accrued expenses***	11.3	7.3
Total	**19.5**	**13.4**

* Trade payables also include short term car financing-related loans transferred to Kamux in connection with the purchases of the trade-in cars of EUR 1.7 million as of December 31, 2023 and EUR 1.5 million as of December 31, 2022. Loans to the finance companies are paid within a short period after the purchase of the car.

** Other payables include EUR 0.8 million in December 31, 2023 and EUR 4.5 million in December 31, 2022 car tax liabilities related to sold import cars.

*** Other accrued expenses relate to deferred revenue from sales of Kamux Plus as of December 31, 2023 and 2022.

Carrying values of trade and other payables correspond to their fair values due to the short-term nature of these payables. Trade payables include also short term trade-in car finanzing-related loans from finance companies which are paid within a short period after the purchase of the car. Other accrued expences include among other things estimated car tax liabilities waiting for tax authority's car tax decisions relating to sold cars. Kamux estimates the amount of the car tax liability of imported cars at the time of sale and the estimated amount of car tax is is included in accrued expenses and deferred income. When the tax authority makes a car tax decision, the estimated car tax liability is dissolved and the difference between the estimated and the actual car tax is recognised in profit or loss. The amount of estimated car taxes is considered to correspond to the actual amounts. Other payables include car tax payables that have been decided by the tax authority and are paid within a short period.

3.4 Provisions, lease obligations and other commitments

Decommissioning obligation

Kamux owns a car showroom building in Nedderfeld, Germany, which is located on the land area Kamux is renting. Kamux has leased the land area under a five year fixed-term contract, which has been extended after the expiry of the fixed-term period. Kamux has an obligation to demolish the building at Kamux's own expense at the end of the lease. This obligation is recognized in the balance sheet on December 31, 2023 as a non-current provision of EUR 0.4 million.

Repair liability provision

Kamux's current provisions comprise of repair liability provision and other provisions.

>> Read more on repair liability provision in note 2.3

Other provisions

Other provisions comprise from cost provision related to the ongoing juridical processes against a local procurement partner in Kamux's German subsidiary and from cost provision related to business reorganization.

Changes in provisions in the financial year

EUR million	Other provisions	Repair liability provision	Decommissioning obligation	Total
Jan 1, 2023	0.2	2.9	0.4	**3.4**
Increases in provisions	0.1	0.5	-	**0.6**
Decreases in provisions	-0.1	-	-	**-0.1**
Provisions realized	-0.0	-	-	**-0.0**
Dec 31, 2023	**0.2**	**3.4**	**0.4**	**4.0**
Current provisions at Dec 31, 2023	0.2	3.4	-	**3.6**
Non-current provisions at Dec 31, 2023	-	-	0.4	**0.4**

EUR million	Other provisions	Repair liability provision	Decommissioning obligation	Total
Jan 1, 2022	0.1	3.3	0.4	**3.7**
Increases in provisions	0.1	-	-	**0.1**
Provisions realized	-0.1	-0.3	-	**-0.4**
Dec 31, 2022	**0.2**	**2.9**	**0.4**	**3.4**
Current provisions at Dec 31, 2022	0.2	2.9	-	**3.1**
Non-current provisions at Dec 31, 2022	-	-	0.4	**0.4**

Loans against which guarantees and mortgages have been given

	At December 31,	
EUR million	**2023**	**2022**
Loans	15.5	17.8
guarantees given against loans	110.0	110.0

Other commitments

	At December 31,	
EUR million	**2023**	**2022**
Rent and other payment guarantees	0.3	0.3

Kamux has given business mortgages amounting to EUR 110.0 million at 31 December, 2023 and EUR 110.0 million as of December 31, 2022 as a security for its loans from financial institutions. In addition, the Company has given an unlimited general guarantee on the behalf of the subsidiaries of Finland, Sweden and Germany and pledged the shares of the subsidiaries in Fnland and Sweden.

4

Capital management and net debt

Capital management and net debt

Finance expenses

4.1 Capital management and net debt

Capital management

The Group's objective when managing capital (net debt and total equity) is to ensure the continuity of its operations and maintain optimal returns to shareholders. Management aims to maintain an optimal capital and funding structure that ensures the lowest cost of capital available to the Group.

In order to maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to shareholders or issue new shares.

The Group monitors capital on the basis of net debt and equity. Net debt is calculated as financial liabilities ("current and non-current borrowings and lease liabilities" in the consolidated balance sheet) less cash and cash equivalents.

>> Read more about equity in note 5.4.

Cash and cash equivalents

Cash and cash equivalents consist mainly of cash, demand deposits and other short-term highly liquid investments.

	At December 31,	
EUR million	**2023**	**2022**
Cash and bank accounts	8.9	4.2
Total cash and cash equivalents	**8.9**	**4.2**

Net debt

The Group borrows money from financial institutions in the form of bank loans and bank overdrafts. The Group's loans have floating interest rates and the Group may use interest rate swaps to limit the interest rate risk related to floating interest rates of the loans. The Group also borrows money from the financial markets by issuing commercial papers.

Lease liabilities comprise of future rental payments of showrooms and office premises that have been discounted to present value.

Interest bearing liabilities and net debt

	At December 31,	
EUR million	**2023**	**2022**
Non-current interest-bearing liabilities		
Bank loans	13.2	15.5
Lease liabilities	31.9	31.2
Total non-current interest-bearing liabilities	**45.1**	**46.7**
Current interest-bearing liabilities		
Bank loans	2.3	2.3
Bank overdrafts	-	-
Issued commercial papers	5.0	5.0
Lease liabilities	10.3	9.3
Total current interest-bearing liabilities	**17.6**	**16.7**
Total interest-bearing liabilities	**62.7**	**63.3**
Less cash and cash equivalents	-8.9	-4.2
Net debt	**53.8**	**59.1**

Borrowings and derivatives

In Spring 2020 Kamux renewed the five-year credit facility agreement of EUR 40 million with Nordea Bank Corporation. The credit facility agreement includes a five-year term-loan of EUR 18 million and a revolving credit facility of EUR 22 million.

Following the completion of the Oulu showroom and processing center, a ten-year term loan of EUR 5.0 million was drawn for the property in March 2022.

In December 31, 2023, Kamux Group's borrowings comprised of above mentioned term loans, of which EUR 15.5 million (EUR 17.8 million as of December 31, 2022) was in use. The term loan is currently repaid in bi-annual installments of EUR 1.2 million in March and in September. The loans mature on March 31, 2025 and on March 17, 2032.

During the financial year 2023, as in 2022, Kamux Corporation utilized short-term credits and issued commercial papers to fund working capital needs related to seasonality of the business operations. On December 31, 2023 issued commercial papers EUR 5.0 million was in use.

ACCOUNTING POLICY – BORROWINGS

Bank loans are measured initially at fair value, net of transaction costs. Bank loans are subsequently carried at amortized cost. Interest expenses and transaction costs are amortized over the term of the loan and recognized as finance cost using an effective interest rate method. Borrowings are derecognized when the loan has been repaid or liability has been extinguished for example in connection with refinancing.

ACCOUNTING POLICY – DERIVATIVES

Financial assets and liabilities recorded at fair value through profit and loss consist of derivatives. Derivatives are measured and recognized in the balance sheet according to their fair value at the trade date. Subsequent fair value changes of open derivatives are recognized directly in the finance income and finance costs in the statement of comprehensive income. The Group's derivatives consist of foreign exchange derivatives to hedge foreign exchange rate risk. These derivatives are not subject to hedge accounting.

Fair values and nominal values of the derivatives

	At December 31,	
EUR million	**2023**	**2022**
Foreign currency derivatives		
Fair value	-0.0	-0.2
Value of underlying instrument	9.7	18.3

Derivatives consist of foreign exchange forwards. These derivatives are included in Level 2 and their fair value is calculated as the present value of the estimated future cash flows based on observable foreign exchange rates. The nominal value of open foreign exchange forwards was EUR 9.7 million on December 31, 2023 and EUR 18.3 million on December 31, 2022.

Risks associated with Net debt

Liquidity risk

Management of liquidity risk aims to ensure that Kamux is able to meet its finance obligations. Kamux's financing requirement is covered by both optimizing of operating activities and external financing in order to ensure that Kamux has continually sufficient liquidity or has access to an adequate amount of committed credit facilities. Liquidity risks are monitored and managed centrally in the Group's finance department where the availability of financing is managed daily based on rolling forecasts.

The maturity of financial liabilities is monitored regularly. As of December 31, 2023, Kamux had cash and cash equivalents of EUR 8.9 million and as of December 31, 2022, EUR 4.2 million. In addition, Kamux had access to unused credit facilities and bank overdrafts of EUR 21.0 million as of December 31, 2023 and EUR 22.0 million as of December 31, 2022.

Kamux has entered into a five-year credit facility agreement of EUR 40 million with Nordea Bank Corporation. The credit facility agreement includes a five-year term loan of EUR 18 million and a revolving credit facility of EUR 22 million. In addition to the revolving credit facility, Kamux has a lease guarantee facility of EUR 0.4 million.

Following the completion of the Oulu showroom and processing center, a ten-year term loan of EUR 5.0 million was drawn for the property in March 2022.

At the end of the reporting period, EUR 15.5 million of these term-loans was in use. The term loans are currently repaid in bi-annual installments of EUR 1.2 million.

Loans from the financial institutions include the following covenants: net debt in proportion to adjusted EBITDA, equity as a portion of the balance sheet total and inventory turnover. The interest margin is variable and depends on the ratio of net debt and adjusted EBITDA. Kamux has given business mortgages amounting to EUR 110.0 million as a security for the loans from financial institutions. In addition, the Company has given an unlimited general guarantee on behalf of the subsidiaries in Finland, Sweden and Germany and pledged the shares of the Finnish and Swedish subsidiaries.

According to specific terms and conditions of the bank loan agreements, the most significant transactions require a prior written approval by the financial institution, including ordinary terms and conditions protecting the creditor.

Maturity table for financial liabilities

EUR million	Less than 3 months	3 months - 1 year	1-2 years	2-3 years	3-4 years	4-5 years	More than 5 years
Dec 31, 2023							
Lease liabilities	2.7	8.2	8.2	5.9	4.8	4.0	10.0
Loans	1.2	1.4	9.6	0.5	0.5	0.5	3.1
Commercial papers	2.5	2.5	-	-	-	-	-
Accounts payables	9.4	-	-	-	-	-	-
Derivatives	0.0	-	-	-	-	-	-
Dec 31, 2022							
Lease liabilities	2.4	7.3	8.3	5.6	3.9	3.3	11.0
Loans	1.2	1.4	2.6	9.5	0.0	0.0	3.5
Commercial papers	5.0	-	-	-	-	-	-
Accounts payables	7.0	-	-	-	-	-	-
Derivatives	0.1	0.0	-	-	-	-	-

Interest rate risk

The Group's bank loans comprise of long-term floating rate loans and interest-bearing credit limit facilities. Due to the Euribor-tied loans, Kamux is subject to the cash flow risk arising from floating rate loans.

To manage the interest rate risk, Kamux may use interest rate swaps, as needed, in order to reduce the cash flow risk arising from floating rate loans. With this course of action, Kamux aims to limit the impact of interest rate volatility in the Group's finance costs to acceptable levels.

Weighted average interest rate of bank loans was 5.15% at the end of 2023.

Seasonality is an integral part of the business of Kamux Group, and therefore typically the highest revenue is reached in the second and third quarters of the year, which also causes fluctuations in working capital especially due to the change in inventory levels. Short-term debt financing is used for working capital funding via various sources of funds with differing maturities as well as terms and conditions. Therefore, the end of the financial year on 31 December does not fully reflect the average interest rate sensitivities during the financial year.

Based on the actual outstanding debt financing during 2023 and using the average of interest-bearing debt balances in beginning and at the end of the month, the Company has carried out interest rate sensitivity analysis post the period by taking into account the actual debt balances excluding leasing debt. Based on this, if the market interest rates would have consistently been 1.0 %-units higher (lower), while all the other parameters were kept unchanged, the 2023 profit before taxes would have been EUR 0.3 million lower (higher) than presented in the income statement. This sensitivity analysis is indicative only, as in most of the Group's debt financing the basis has been six months Euribor rate, which is fixed for that interest period. Moreover, when assessing the results of the sensitivity analysis it shall be taken into account that the Group receives interest income from its customers, and this income varies in relation to the underlying interest rates. In addition, in Group accounting the changes in interest rates affect via discounting or via incremental borrowing rate on certain balance sheet items, and hence potentially also change the profit and taxes of the period.

Foreign exchange risk

Kamux is mainly exposed to transaction risk related to the Swedish krona and the risk that arises when the parent company's investments in the Swedish subsidiaries are translated into euros.

Foreign exchange risk relating to Swedish operations arises basically from intra-Group finance transactions and trade payables from Swedish vendors and subsidiaries incurred in operating activities between the Group companies. Foreign exchange risk is not significant for the Group and these items are hedged as needed by using foreign exchange derivatives and/or holding cash nominated in Swedish krona in Group's bank accounts. In December 31, 2023 the Group had foreign exchange derivatives which mature under 12 months to hedge against the foreign exchange risk arising from above mentioned transactions.

The remainder of the Group's income and expenses are generated almost exclusively in euros. According to the Company's treasury policy, all intercompany financing is issued in the subsidiary's functional currency.

The Group's net investment in companies outside the Eurozone consists of subsidiary investments in Sweden. Foreign exchange risk associated with the net investment is not hedged.

Foreign exchange risk position includes debts denominated in Swedish krona of Group companies and loan receivables from Swedish subsidiaries. Krona denominated intra-group items, which are exposed to foreign exchange risk, translated at the rate of the balance sheet date were EUR 19.2 million as of December 31, 2023 and EUR 15.1 million as of December 31, 2022. In December 31, 2023 these balances were only partly hedged. If the foreign exchange risk would not have been hedged and if the weakening of the Swedish krona against euro had been 10 percent, the recalculated post-tax profit for the period had been EUR 1.0 million in 2023 (EUR 2.2 million in 2022) lower based on the sensitivity analysis. If the foreign exchange risk would not have been hedged and if the strengthening of the Swedish krona against euro had been 10 percent, the recalculated post-tax profit for the period had been EUR 2.3 million in 2023 (EUR 2.2 million in 2022) higher based on the sensitivity analysis.

Credit and counterparty risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. Kamux considers all of its material counterparties to be creditworthy as they represent large and well-established financial institutions. Kamux's exposure to credit risk is continuously monitored, in particular, if agreed payments are delayed.

>> **Read more about credit risk related to trade and other receivables in note 3.2.**

The credit risk on cash and cash equivalents is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. To spread the credit risk, Kamux deposits its cash reserves with different banks.

4.2 Finance expenses

	For the year ended December 31,	
EUR million	**2023**	**2022**
Interest expenses	1.4	0.8
Interest expenses on lease liabilities	0.5	0.5
Fair value changes for derivatives	-0.1	0.1
Foreign exchange gains and losses, net	0.1	0.6
Other finance income and costs	0.0	-0.1
Total	**1.9**	**1.8**

ACCOUNTING POLICY – FINANCE EXPENSES

Finance expenses consist of interest expenses on bank loans and credit limits and realized and unrealized changes on foreign exchange derivatives, exchange rate differences as well as interest expenses on lease liabilities. Transaction costs related to loans are expensed in profit or loss using effective interest rate method.

The effective interest rate is the rate that discounts the estimated future payments through the expected life of a loan to the net carrying amount of the financial liability. The calculation includes all fees paid by the contracting parties and transaction costs.

5
Other notes

Group structure and consolidation

Intangible assets and property, plant and equipment and lease agreements

Related party transactions

Share capital and reserves

Deferred taxes

Events after the reporting date

New and forthcoming IFRS financial statements standards

5.1 Group structure and consolidation

Subsidiaries

The consolidated financial statements include parent company and its subsidiaries. Subsidiaries refers to entities of which Kamux Group has control. Control exists, when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control or if the subsidiaries have been founded by the Company, from the date of the inception of the subsidiary. Subsidiaries are consolidated until the date that control ceases.

Changes in the Group structure

There were no changes in the Group structure during years 2023-2022.

Group's subsidiaries as of December 31, 2022 and December 31, 2021 were as follows:

Parent company	Country of incorporation	Parent and Group ownership (%)	Principal activities
Kamux Oyj	Finland		Holding company
Subsidiaries			
Kamux Suomi Oy	Finland	100	Sales of used cars
Suomen Autorahaksi Oy	Finland	100	Dormant company
Koy Autoportinkaarre	Finland	100	Real estate company
KMX Holding AB	Sweden	100	Holding company
Kamux AB	Sweden	100	Sales of used cars
Kamux Auto GmbH	Germany	100	Sales of used cars

Subsidiaries have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests equals the voting rights held by the Group. The country of incorporation of registration is also their principal place of business.

Preparation of the consolidated financial statements

Intra-Group receivables and liabilities, income or expenses and unrealized profits or losses arising from Intra-Group transactions between the Group companies and intra-Group profit sharing are eliminated in their entirety when preparing the consolidated accounts.

Assets and liabilities in Swedish subsidiaries are translated into euro at the rate prevailing on the balance sheet date. Income and expenses in Swedish subsidiaries are translated into euro using an average rate. Translation differences that arise when translating the financial statements of subsidiaries are recognized in other comprehensive income and accumulated in a separate component of equity, called translation differences.

Foreign currency denominated transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or if items have been revalued, at the measurement dates exchange rates. Foreign exchange gains and losses arising in respect of business operations, such as sales and purchases, are recognized in EBIT. Foreign exchange differences arising from financing transactions are recognized in finance costs.

5.2 Intangible assets, property, plant and equipment and lease agreements

Goodwill

Goodwill in the balance sheet mainly formed when the parent company, a company established by Intera Fund II Ky, acquired Kamux Oy and its subsidiaries on December 7, 2011. In 2020 the amount of goodwill recognized into the balance sheet increased due to the acquisition of Autosilta business from Jagro Oy on January 9, 2020. The amount of goodwill arosen from the acquisition amounted to EUR 0.4 million and it was regarded as arising mainly from strengthening of the market position and business location.The amount of goodwill was EUR 14.0 million as of December 31, 2023 and there were no changes in the amount of goodwill during the years 2022-2023. Goodwill is entirely allocated to the operating segment of Finland which is profitable.

The Group performs impairment tests annually. The recoverable amount of goodwill related to Finland is based on fair value less costs of disposal (FVLCD), which is determined using a discounted cash flow model. Key estimates used to determine the recoverable amount include sales growth rate, cost development and the post-tax discount rate. Inputs used in the discounted cash flow model are inputs that are not based on observable market data (Level 3 inputs). Calculations are based on 5 years' cash flow projections approved by the management. Long-term growth rate was estimated to be 1% and post-tax discount rate was defined at 9.1% (2022: 8.7%). In addition, management reviews observable market data of comparable entities, for example, EBITDA multiples to assess whether there is a significant difference between FLVCD of the group of CGUs tested and comparable entities market data, which would require Kamux to make changes to the assumptions used in goodwill impairment testing. In 2023 the impairment test did not indicate a need for an impairment. The headroom indicated by the impairment test between the carrying amount of the assets tested and the discounted cashflows was EUR 346 million in 2023 (2022: EUR 424 million)

As part of the performance review, management has performed sensitivity analyses around the key parameters and the result suggests that a situation in which the carrying value of goodwill and other assets under impairment testing would exceed the recoverable amount is unlikely. Changed parameters used in the sensitivity analyses for 2023 and 2022 impairment testing were:

- 20% decrease in the annual sales growth rate
- 20% decrease in EBIT margin of the financial year
- Long term growth rate of 0%
- Post-tax discount rate of 15%

The sensitivity analyses did not indicate impairment when the parameters above were changed one at a time or all at the same time. The headroom indicated by the sensitivity analysis between the carrying amount of the assets tested and the discounted cashflows was at its lowest EUR 80 million in 2023 (2022: EUR 96 million) in a situation, where all the parameters would have realized at the same time.

Other intangible assets

Kamux has capitalized development costs and intangible rights related to IT systems as other intangible assets.

During 2022-2023, Kamux invested in new sales management system by developing new features into the system. The sales management system is one of the key enablers of Kamux's effective selling process and cost-efficient inventory management. The capitalized costs consist of external service provider invoices and development work of own employees.

In 2023 Kamux invested in new financial systems. Due to the financial systems were purchased as SaaS (Software as a Service), the costs arising from the implementations were mainly expensed in profit or loss. The intangible assets under IAS 38 arising during the development phase of the software and controlled by Kamux, are capitalized into the balance sheet.

The advance payments for intangible assets comprise of development costs of IT systems before the implementation of the systems.

The Group does not have intangible assets with indefinite useful lives except for goodwill.

ACCOUNTING POLICY – GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill is an intangible asset with indefinite useful life. Goodwill is not amortized but tested for impairment at least annually, or whenever there is an indication that its carrying value would not be recoverable.

Management has determined that each showroom represents a separate cash generating unit (CGU). The impairment review is carried out for the group of cash generating units representing the geographical area of Finland which is the level at which goodwill is monitored by management (read more in Sources of uncertainty and managerial judgements – Goodwill).

Other intangible assets, which are separately identifiable and can be sold separately comprise development costs of IT software and intangible rights. Other intangible assets are amortized on a straight-line basis over the estimated useful life of 3-5 years. The amortization is recognized into profit or loss in accordance with the amortization plan.

Accounting treatment for the **Cloud Computing Arrangements** is depending on whether the cloud based software is classified as an intangible asset or a service agreement. The management makes judgment in assessing if any intangible assets under IAS 38 and controlled by Kamux is arising in the development phase of the arrangement.

Those arrangements, where Kamux has no control over the software, are accounted as service agreements which give Kamux during the agreement period a right to use the application software controlled by the supplier. As a basis the continuous payments for right to use the software and the configuration and customization costs relating to the software are recognized into the other operating expenses at the time the service is received. Kamux assessesd if the services relating to the configuration and customization are separately identifiable from the software as a service.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS – GOODWILL

Management makes significant estimates and judgments in determining the level at which the goodwill is tested and whether there are any indications of impairment.

The goodwill in the Kamux's balance sheet arose mainly in December 2011 when the parent company, a company established by Intera Fund II Ky, acquired Kamux Oy and its subsidiaries. At the time of the acquisition, Kamux operated in Finland through five subsidiaries, including 16 showrooms. The Management views that the excess of the purchase price over the acquired net assets was paid for the business and business concept as a whole and therefore considers that goodwill should be tested at the level of group of CGU's which is Finland.

The forecasted cash flows are based on the Group's past performance and management's best estimate of future sales, cost development, general market conditions and applicable income tax rates.

Management tests the effects of changes to significant estimates used in forecasts by sensitivity analyses in a way described in the section "Goodwill".

Reconciliation of the book values of the intangible assets between the beginning and the end of the period

2023

EUR million	Other intangible assets	Advance payments and intangibles in progress	Goodwill	Total
Acquisition cost at Jan 1, 2023	12.1	0.1	15.5	27.7
Translation differences	0.0	-	-	0.0
Increases	0.4	0.2	-	0.6
Transfers between items	0.2	-0.2	-	-
Acquisition cost at Dec 31, 2023	**12.7**	**0.2**	**15.5**	**28.3**
Accumulated amortization and impairments at Jan 1,.2023	-6.4	-	-1.5	-7.9
Translation differences	-0.0	-	-	-0.0
Amortization	-1.9	-	-	-1.9
Accumulated amortization and impairments at Dec 31, 2023	**-8.3**	**-**	**-1.5**	**-9.8**
Book value at Jan 1, 2023	5.8	0.1	14.0	19.8
Book value at Dec 31, 2023	**4.4**	**0.2**	**14.0**	**18.5**

2022

EUR million	Other intangible assets	Advance payments and intangibles in progress	Goodwill	Total
Acquisition cost at Jan 1, 2022	11.0	0.0	15.5	26.5
Translation differences	-0.0	-	-	-0.0
Increases	1.1	0.1	-	1.2
Acquisition cost at Dec 31, 2022	**12.1**	**0.1**	**15.5**	**27.7**
Accumulated amortization and impairments at Jan 1, 2022	-4.6	-	-1.5	-6.1
Translation differences	0.0	-	-	0.0
Amortization	-1.8	-	-	-1.8
Accumulated amortization and impairments at Dec 31, 2022	**-6.4**	**-**	**-1.5**	**-7.9**
Book value at Jan 1, 2022	6.4	0.0	14.0	20.4
Book value at Dec 31, 2022	**5.8**	**0.1**	**14.0**	**19.8**

Property, plant and equipment

Property, plant and equipment comprise of right-of-use-assets of leasing agreements on showrooms, capitalized renovation as well as modernization expenses, office furniture, machinery and equipment and car showroom building in Nedderfeld, Germany, and in Oulu, Finland.

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives, which are:

- 15 years for the showroom building in Germany
- 20 years for the building owned by Koy Autoportinkaarre, 10 years for the technical equipment of that building, 20 years for the other tangible assets (as layering asphalt over the parking area), 10 years for other tangible asstes (as branding) and 5 years for equipment
- 3-5 years for the machinery and equipment as well as for the other tangible assets owned by other group companies

The depreciations are recognized into profit or loss in accordance with the depreciation plan.

The Group does not capitalize borrowing costs and there are no tangible assets pledged as security for liabilities.

The useful life for the land areas is indefinite, thus land areas are not depreciated.

Reconciliation of the book values of the property, plant and equipment between the beginning and the end of the period

2023

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and tangibles in progress	Total
Acquisition cost at Jan 1, 2023	0.8	77.1	2.5	4.8	0.0	85.3
Translation differences	-	0.1	0.0	0.0	-	0.2
Increases	-	16.6	0.5	0.7	0.0	17.8
Decreases	-	-4.8	-	-	-	-4.8
Transfers between items	-	-	-	0.0	-0.0	-
Acquisition cost at Dec 31, 2023	**0.8**	**89.0**	**3.0**	**5.5**	**0.0**	**98.4**
Accumulated depreciation and impairments at Jan 1,.2023	-	-34.3	-1.5	-3.4	-	-39.2
Translation differences	-	-0.1	-0.0	-0.0	-	-0.1
Depreciation	-	-10.2	-0.3	-0.6	-	-11.0
Accumulated depreciation and impairments at Dec 31, 2023	**-**	**-44.6**	**-1.7**	**-4.0**	**-**	**-50.3**
Book value at Jan 1, 2023	0.8	42.9	1.1	1.4	0.0	46.1
Book value at Dec 31, 2023	**0.8**	**44.5**	**1.3**	**1.5**	**0.0**	**48.0**

2022

EUR million	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and tangibles in progress	Total
Acquisition cost at Jan 1, 2022	-	70.0	2.3	4.1	3.8	80.1
Translation differences	-	-2.1	-0.0	-0.1	-	-2.2
Increases	-	8.0	0.2	0.6	0.9	9.8
Decreases	-	-2.4	-	-	-	-2.4
Transfers between items	0.8	3.6	0.1	0.2	-4.7	-
Acquisition cost at Dec 31, 2022	**0.8**	**77.1**	**2.5**	**4.8**	**0.0**	**85.3**
Accumulated depreciation and impairment at Jan 1, 2022	-	-25.2	-1.3	-3.0	-	-29.5
Accumulated depreciation on decreases and transfers	-	0.6	0.0	0.1	-	0.7
Translation differences	-	0.3	-	-	-	0.3
Depreciation	-	-9.9	-0.2	-0.5	-	-10.7
Accumulated depreciation and impairment at Dec 31, 2022	**-**	**-34.3**	**-1.5**	**-3.4**	**-**	**-39.2**
Book value at Jan 1, 2022	-	44.7	1.0	1.1	3.8	50.6
Book value at Dec 31, 2022	**0.8**	**42.9**	**1.1**	**1.4**	**0.0**	**46.1**

Lease agreements

Kamux applies IFRS 16 in recognition of lease agreements. In accordance with IFRS 16 Kamux recognizes almost all leases on the balance sheet. The standard requires recognition of an asset i.a. the right to use the leased item and a financial liability to pay rentals for virtually all lease contracts.

Lease agreements recognized into Kamux's balance sheet comprise mainly of rental agreements of showrooms and office premises. Kamux inventory is located in the showrooms and the sales of cars takes place mainly in the showrooms. The right-of-use asset and the non-current and current lease liabilities arising from the lease agreements are presented in the balance sheet as row items "Lease assets" and "Lease liabilities".

ACCOUNTING POLICY – LEASE AGREEMENTS

Lease agreements may contain both lease and non-lease components. Kamux applies the treatment in accordance with IFRS 16 only to lease components and recognizes the expenses arising from non-lease components into profit or loss as other operating expenses.

Lease agreements of the showrooms or office premises are negotiated on an individual basis resulting in agreements with different terms and conditions. Lease agreements are typically either for the time being or 1- to 10-year fixed term contracts. Agreements usually include the option of extending the lease after the original date of termination.

Assets and liabilities arising from a lease are initially measured on a present value basis. The present value of a lease liability is determined by discounting the estimated future lease payments during the lease period. The right-of-use asset is initially measured at cost corresponding with the amount of the lease liability and it can be adjusted by the direct costs or incentives obtained relating to the lease agreement.

The right-of-use asset is depreciated over the asset's useful life which in Kamux usually corresponds with the lease term.

The lease assets are derecognized against the lease payments and as finance expenses. The finance expense recognized into profit or loss reflects the amount of interest for certain period arising from the lease liability.

Kamux applies the optional exemption that exists for short-term and low-value leases. Short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss as other operating expenses. Short-term leases are leases with a lease term of 12 months or less and low-value assets are leases with total value EUR 5,000 or less. Low-value leases in Kamux Group are for example leases of parking areas nearby the showrooms, short-term and low-value leases are for example job-related housing of the personnel.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS – LEASE AGREEMENTS

Management makes critical judgments and assessments in determination of the lease terms of the lease agreements. Also determination of the discount rates for the lease liabilities requires management judgment.

Lease term

The lease agreements of the Group's showrooms and office premises can be divided into following groups regarding to lease terms: agreements made for the time being and fixed-term agreements. Fixed-term agreements can include an option for an extension period following the fixed-term or they can continue as agreements for time being after the fixed-term. Kamux has entered also in fixed-term agreements which cannot be extended according to the initial agreement.

The management assesses a lease term of each lease agreement on an individual basis. In determining the lease term for each lease agreement the management considers the following factors, among others: Has Kamux or the lessor an unilateral right to serve notice of termination on the agreement or to decide about the extension period or is the decision made by both lessee and lessor together? Is it probable that the extension period will be exercised? What is the historical data about lease terms of lease agreements in Kamux?

The lease term is initially assessed at the date an agreement is signed and the term is reassessed at least every time when the agreement is changed with an effect on the lease term.

Discount rate

The future lease payments are discounted by using a discount rate prevailing at the date of signing a lease agreement. When the interest rate implicit in the lease cannot be determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset similar value to the right-of-use asset in a similar economic environment with similar terms and conditions of agreement.

Changes of lease agreements in the balance sheet

EUR million	Lease assets	Lease liabilities
Jan 1, 2023	**39.2**	**40.5**
Increases	16.6	16.7
Decreases	-4.8	-4.9
Depreciation	-10.0	-
Exchange rate differences and other changes	0.0	0.0
Interest expenses	-	-0.5
Repayments of lease liability	-	-9.7
Dec 31, 2023	**41.0**	**42.2**

EUR million	Lease assets	Lease liabilities
Jan 1, 2022	**44.6**	**45.9**
Increases	7.9	7.8
Decreases	-2.1	-2.0
Depreciation	-9.7	-
Exchange rate differences and other changes	-1.4	-1.5
Interest expenses	-	-0.5
Repayments of lease liability	-	-9.1
Dec 31, 2022	**39.2**	**40.5**

An incremental borrowing rate of 5.01% was used in year 2023 and 1.69% in year 2022 as a discount rate for the future lease payments.

Changes of lease agreements in the statement of comprehensive income

	For the year ended December 31,	
EUR million	**2023**	**2022**
Depreciation of lease assets	-10.0	-9.7
Interest cost from lease liabilities	-0.5	-0.5
Costs from short-term and low-value leases	-0.0	-0.1
Costs from service components included in lease agreements	-0.5	-0.4
Total expense in the statement of comprehensive income	**-10.9**	**-10.6**

In 2023, the cash outflow from lease agreements amounted to EUR 10.7 million (EUR 10.0 million in year 2022).

5.3 Related party transactions

Related parties of the Group consist of the parent company and the Group companies mentioned in note 5.1. Related parties are also key management personnel and their close family members as well as entities controlled by them. Key management personnel are the members of the Board of Directors, CEO and Management Team.

	For the year ended December 31,	
EUR million	**2023**	**2022**
Sales of used cars	0.2	0.0
Purchases of used cars	-0.2	-0.3

	At December 31,	
EUR million	**2023**	**2022**
Lease liabilities	1.7	1.9

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

The Group has leased from a board member of the Group, his close family members and the companies controlled by them four locations with lease agreements made for the time being and fixed-term lease agreements for 1-5 years. Group's lease liabilities for related party include the present value of future lease payments for the above mentioned showrooms.

Transactions with related parties were made under normal market conditions.

Holdings of the Board of Directors, CEO and Management Team of the Company's outstanding shares as of December 31, 2023 are presented in the following table:

	Ownership
Members of the Board of Directors	15.19%
CEO	0.09%
Other Management Team	0.17%

Management's salaries and fees

The Board of Directors decides on the remuneration and its criteria for the CEO and members of the Management Team. The salary of the CEO and members of Management Team consists of a monthly salary, bonus and share-based incentive arrangement. The Board of Directors decides the terms of bonuses annually. The CEO's and Management Team's bonuses are paid on the basis of personal goals set for the financial year and certain profitability targets. In 2023, the bonus percent of 12 months fixed money-based wages may not exceed 100 percent for CEO and 60 percent for other Management Team members (in 2022 45% for CEO and 45% for other Management Team members).

	For the year ended December 31,	
EUR thousand	**2023**	**2022**
Management Team salaries and other benefits (except CEO)		
Wages, salaries and benefits	1,351	1,409
Pension costs -defined contribution plans	241	262
Share-based benefits	-	-
Total	**1,592**	**1,671**
CEO salaries and benefits		
Wages, salaries and benefits*	895	290
Pension costs -defined contribution plans	150	53
Share-based benefits	-	-
Total	**1,045**	**343**

* Includes the signing bonus EUR 375 thousand in year 2023.

	For the year ended December 31,	
EUR thousand	**2023**	**2022**
Board of Directors salaries and benefits		
Terho Kalliokoski (from 20.4.2022)	56	20
Harri Sivula	46	64
Reija Laaksonen	35	33
Antti Mäkelä	33	33
Jaana Viertola-Truini (from April 20, 2022)	33	20
Juha Kalliokoski (from April 20, 2023)	24	-
Tapio Pajuharju (until April 20, 2023)	11	26
Tuomo Vähäpassi (until April 20, 2023)	12	33
Jokke Paananen (until April 20, 2022)	-	10
Total	**250**	**239**
Management and Board of Directors compensation in total	**2,887**	**2,253**

The Group CEO is entitled to the statutory pension and the retirement age is determined within the framework of statutory earnings-related pension plans. The CEO's retirement age is 63 years under the current legislation. The Group CEO has an additional pension arrangement amounting to EUR 8,500 per year. Termination period for the CEO's employment contract is 6 months, and he is entitled to the salary for the termination period as well as the performance bonus until the termination date. In addition, if the Company terminates the contract, CEO is entitled under certain conditions to the amount corresponding to six months' total salary.

Share-based incentive plans

In the financial year 2023 the employee benefit expenses included EUR 0.1 million and in 2022 EUR 0.2 million costs accrual related to the share-based incentive plan. The key terms and conditions for the earnings periods are described in the table below.

Share-based incentive plan for years 2021—2023

In February 2021 the Board of Directors of Kamux Corporation decided to approve the new long-term share-based incentive plan for the Group's key personnel for years 2021–2023. The plan is divided into three one-year earning periods, the first of which began at the beginning of the year 2021. Any rewards paid from the plan will be based on achieving the revenue target and the adjusted EBIT target set by the Board of Directors. In addition, the plan includes an additional component based on the market value of the Company. Based on the additional component, if the criteria is met, additional shares are distributed in spring 2024 after the end of the 2023 earnings period.

No rewards will be paid from the earnings period 2023 (LTI2023) since the vesting conditions were not met. No rewards were paid from the earnings period 2022 (LTI2022) since the vesting conditions were not met. Any rewards resulting from the earnings period 2021 (LTI2021) were paid in shares and/or in cash during spring 2022.

The net shares paid as a reward will be subject to a transfer restriction during the commitment period. The commitment period begins when the reward is paid and ends on 30 April 2024.

The entire plan is accounted for as an equity-settled payment with net settlement features. The fair value of the plan was determined on the grant date. The fair value of the plan is expensed during the three years until the end of the commitment period April 2024.

Share-based incentive scheme for the CEO

In June 2023, Kamux announced that the Board of Directors of Kamux Corporation had approved a long-term share-based incentive plan for the years 2023–2026 for Tapio Pajuharju, Kamux Corporation's CEO as of June 1, 2023. The plan commenced on June 1, 2023, and ends on December 31, 2026. The plan is divided into four earnings periods, and the payment of possible rewards will be based on the achievement of the targets set by the Board of Directors for each earnings period. For each earnings period, the targets are based on the development of the company's EBIT, market value and an ESG criterion based on the company's sustainability program. Any rewards will not be paid for the earnings period June 1–December 31, 2023, as the vesting conditions were not met.

Share-based incentive plan for years 2017-2020

In April 2017, the Board of Directors of Kamux Corporation decided to establish a share-based incentive scheme for the Group's key personnel. The share-based incentive scheme comprises of separate yearly incentive plans based on the judgment of the Board of Directors of Kamux Corporation. The key personnel belonging to the scheme are Manangement Team members and also other key management personnel.

The amount of any gross reward paid pursuant to the plan for the earnings period 2020 (LTI2020) was determined by the achievement of goals set for the earnings criteria. The earnings criterion applicable for the 2020 earnings period was achieving the EBIT target for 2020 set by the Board of Directors. Rewards resulting from the plan LTI2020 were paid in shares and cash during spring 2021.

The plans were accounted for as an equity-settled payment with net settlement features. The plans had one year earnings period followed by a two-year commitment period. The fair value of the plans were determined on the grant date. The fair value of the each plan was expensed during the three years until the end of the commitment period.

Key terms and conditions of the share-based incentive plan

Share-based incentive plan	LTI2021-2023	LTI2020
Nature of the scheme	Shares	Shares
Initial grant date	February 26, 2021	January 16, 2020
Maximum amount of shares granted, pcs	370,000	181,400
Earnings and commitment period, years	3	3
Vesting conditions	To reach the revenue and EBIT target and remaining employment contract on Apr 30, 2024	To reach the EBIT target and remaining employment contract on Dec 31, 2022
Number of people entitled to participate	40	18
Payment method	Share and/or cash	Share and/or cash

Measurement factors for the shares granted

	LTI2023	LTI2022	LTI2021	LTI2020
Weighted average of share prices on grant dates, EUR	5.35	10.74	14.72	7.74
Return on equity requirement, %	-	-	-	11.29%
Estimated wastage during the vesting period, %	15.00%	15.00%	15.00%	10.00%
Fair value of the scheme on the grant date, MEUR	0.0	0.0	0.9	0.6
Share price at reporting period end, EUR	5.61	4.3	11.5	-
Expected dividends, EUR	0.16	0.33	0.66	-
Expected volatility, %*	39.70%	4.71%	37.01%	-
Risk-free rate, %*	3.06%	-0.07%	-0.62%	-
Valuation model*	Monte Carlo simulation with Geometric Brownian Motion	Monte Carlo simulation with Geometric Brownian Motion	Monte Carlo simulation with Geometric Brownian Motion	-

* These parameters were only used for valuation of the market based criteria

Changes in the share-based incentives during the period

shares	2023	2022
January, 1 outstanding	154,379	109,623
Earned during the period	298,854	88,310
Vested during the period	-	-5,334
Forfeited during the period	-110,126	-38,220
December 31, outstanding	**343,107**	**154,379**

ACCOUNTING POLICY – SHARE-BASED INCENTIVE PLANS

Kamux's share-based incentive plans are considered as equity-settled payments, and the compensation costs are recognized based on the number of gross shares awarded. Any rewards resulting from the plans will be paid after the end of the earnings period in the company's shares unless the Board of Directors decides to pay the reward partly or fully in cash. Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the whole award will be treated as if it was equity-settled provided it would have been equity-settled without the net settlement feature.

The earnings period for the yearly plans granted under the incentive scheme is a calendar year, followed by a two-year commitment period for the plan 2020. For the plans 2021-2023 the commitment period ends in spring 2024. The fair value of a share incentive is determined on the grant date of each yearly plan. This fair value of the plan is expensed until the end of the commitment period. The accrued expense is annually adjusted to correspond the actual amount of granted shares. The plan for 2021-2023 includes also an additional component based on the market value of the Company. Based on the additional component, if the criteria is met, additional shares are distributed after the end of the 2023 earnings period. The effect of the plans in profit or loss is presented in personnel expenses and the corresponding increase is presented in the equity.

5.4 Share capital and reserves

Movements in the number of outstanding shares, treasury shares and total registered shares during the financial periods were as follows:

Number of shares, 1,000 pcs	Shares outstanding	Treasury shares	Total shares	Treasury shares
January 1, 2022	**39,981**	**37**	**40,017**	**-0.0**
Conveyance of treasury shares	38	-38	-	0.0
Return of share-based payments	-5	5	-	-
December 31, 2022	**40,013**	**4**	**40,017**	**-**
Return of share-based payments	-3	3	-	-
December 31, 2023	**40,010**	**7**	**40,017**	**-**

The Company has one share class and each share has an equal right to dividend. Each share carries one vote at the general meeting. All issued shares are fully paid and they do not have par value.

Dividend distribution, acquisition or redemption of the treasury shares or other distribution of funds to the Company's shareholders require the fulfilment of certain terms of the financing agreement. For the financial year 2023, the Board of Directors proposes a dividend of EUR 6.8 million calculated for the outstanding shares at 31 December 2023 (EUR 0.17 per share). The Company paid a dividend of EUR 6.0 million (EUR 0.15 per share) in spring and autumn 2023 in two instalments.

The Board proposes that the dividend for the financial year 2023 will be paid in two instalments. The first dividend instalment, EUR 0.07 per share, is to be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the first dividend instalment payment record date of April 22, 2024. The Board proposes that the first dividend instalment pay date be April 29, 2024. The second dividend instalment is to be paid to shareholders registered in the Company's register of shareholders maintained by Euroclear Finland Ltd on the second dividend instalment payment record date of October 24, 2024. The Board proposes that the second dividend instalment pay date be October 31, 2024. The Board proposes that it be authorized to decide, if necessary, on a new dividend payment record date and pay date for the second instalment if the rules and statutes of the Finnish book-entry system change or otherwise so require.

The subscription price of new shares is recognized as share capital unless it is determined in the share issue decision to be booked entirely or partly into the reserve for invested unrestricted equity. Payments to the reserve for invested unrestricted equity can be also done without a share issue. The number of shares which have been paid but not yet registered at the end the financial year are entered to the share issue account.

The Company's share capital is EUR 80 thousand.

Movements in the equity reserves are as follows:

Returning of treasury shares in 2023

In 2023 a total of 2,923 shares were returned to the Company without consideration due to the termination of employment of persons covered by the plan. At the end of the financial year, the Company held 6,961 treasury shares, representing 0.02% of all shares.

Conveyance and returning of treasury shares in 2022

In April 2022, the Company transferred a total of 26,521 shares held by the Company to key personnel of Kamux Group for the payment of the share-based incentive plan of 2021. In May-June, the Company transferred a total of 11,263 shares held by the Company to the Members of the Board of Directors as a part of their annual compensation. In consequence to the conveyances, the balance of the retained earnings was zero. In 2022 a total of 5,320 shares were returned to the Company without consideration due to the termination of employment of persons covered by the plan. At the end of the financial year, the Company held 4,038 treasury shares, representing 0.01% of all shares.

5.5 Deferred tax

EUR million	January 1,	Recognized through profit or loss	Foreign exchange differences	December 31,
2023				
Deferred tax assets				
Provisions	0.4	0.1	-	0.5
Tax losses carried forward	0.8	-	0.0	0.8
Depreciation and amortization, inventory and lease agreements	0.1	-0.0	0.0	0.1
Total	**1.3**	**0.1**	**0.0**	**1.4**
Deferred tax liabilities				
Loans from financial institutions	0.0	-0.0	-	0.0
Accrued expenses and deferred income	0.0	-	-	-
Total	**0.0**	**-0.0**	**-**	**0.0**
Total net	**1.3**	**0.1**	**0.0**	**1.4**
2022				
Deferred tax assets				
Provisions	0.5	-0.0	-	0.4
Tax losses carried forward	0.8	-	-0.1	0.8
Depreciation and amortization, inventory and lease agreements	0.2	-0.1	-0.0	0.1
Total	**1.5**	**-0.1**	**-0.1**	**1.3**
Deferred tax liabilities				
Loans from financial institutions	0.0	-0.0	-	0.0
Accrued expenses and deferred income	0.1	-0.1	0.0	0.0
Total	**0.1**	**-0.1**	**0.0**	**0.0**
Total net	**1.4**	**-0.1**	**-0.1**	**1.3**

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the taxes collected by the same fiscal authority. In Sweden, the Group had unused tax losses EUR 9.9 million as of December 31, 2023 (EUR 6.9 million as of December 2022) and in Germany EUR 22.5 million as of December 31, 2023 (EUR 18.8 million as of December 31, 2022). No deferred tax asset has been recognized for the unused tax losses carried forwards for an amount of EUR 22.5 million in Germany and for an amount of EUR 6.3 million in Sweden due to the operating losses. Unused tax losses in Sweden and in Germany will not expire under the current tax regulations.

ACCOUNTING POLICY – DEFERRED TAX BALANCES

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax liabilities are recognized for all taxable temporary differences, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognized on deductible temporary differences only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS – DEFERRED TAX ASSETS ON TAX LOSSES CARRIED FORWARD

At the end of each reporting period, the management makes judgment in assessing the conditions for the recognition of deferred tax assets on tax losses carried forwards. The unused tax losses carried forwards can be utilized against the future taxable profit in a company in which they have been arisen. The management estimates the probability of the availability of future taxable profits or the existence of other reliable evidence on availability of future taxable profits against which the unused tax losses carried forwards can be utilized.

5.6 Events after the reporting date

On January 22, 2024, Kamux announced that the Board of Directors of Kamux Corporation had resolved to establish a matching share plan for the recognized rising key employees of the Group. The Green Lions Plan 2024–2029 includes four (4) matching periods, covering the years 2024–2026, 2025–2027, 2026–2028 and 2027–2029. The prerequisite for participation in the plan and receiving a reward is that a participant has personally acquired Kamux shares within the limits set by the Board of Directors. Furthermore, payment of the reward is based on the participant's valid employment contract upon reward payment. The target group of the first matching period of January 1, 2024 – December 31, 2026, consists of approximately 70 recognized future key employees, who are not included in Kamux's other share-based incentive plans. The rewards to be paid on the basis of the plan correspond to the value of an approximate maximum total of 270,000 Kamux Corporation shares (estimated using the closing share price of January 17, 2024, EUR 5.23), including also the proportion to be paid in cash. The rewards from the first matching period will be paid by the end of March 2027.

On January 26, 2024, Kamux announced the Shareholders' Nomination Board's proposals for the Annual General Meeting 2024. The Shareholders Nomination Board proposes that the company's Board of Directors shall have seven (7) members, and that the current members Juha Kalliokoski, Terho Kalliokoski, Antti Mäkelä, Harri Sivula and Jaana Viertola-Truini be re-elected as members of the Board of Directors and Maren Kroll and Kati Riikonen be elected as new members of the Board of Directors. Additionally, the Shareholders' Nomination Board proposes to the AGM that Terho Kalliokoski be re-elected as Chairperson of the Board of Directors and Harri Sivula be re-elected as Vice Chairperson of the Board of Directors. According to the evaluation made by the nominees themselves and by the Shareholders' Nomination Board, Juha Kalliokoski is dependent of both the company and its significant shareholders whilst the other nominees are independent of the company and of its significant shareholders. In addition, the Shareholders' Nomination Board proposes to the AGM that the annual remuneration of the members of the Board of Directors and the committee fees be modestly raised.

On February 1, 2024, Kamux announced that a total of 2,092 Kamux Corporation's shares had been returned free of consideration to Kamux Corporation in accordance with the terms and conditions of the Corporation's share-based incentive scheme 2020 and 2021. After the return, Kamux Corporation held a total of 9,053 own shares.

On March 1, 2024, Kamux announced that the Board of Directors of Kamux Corporation has decided to approve a new long-term incentive Plan for the Group's key persons for 2024–2026. The Plan commences at the beginning of 2024 and it is divided into three one-year performance periods. For the 2024 performance period, the payment of the potential reward from the Plan is based on exceeding the company's operating profit threshold set by the Board of Directors, as well as on the development of earnings per share (ESP) and total shareholder return (TSR) and exceeding a certain ESG target indicator on an annual basis. The Board of Directors has selected 38 key persons, including the CEO, to participate in the Plan. In accordance with the terms and conditions of the Plan, the Board of Directors may decide during the performance period on the admission of new participants to the Plan. If a participant's employment or service ends before the reward payment, the reward will not, as a general rule, be paid. If the maximum targets set for the performance criteria of the performance period 2024 are reached, the total amount of rewards to be paid based on the Plan for the performance period 2024 is approximately EUR 2.5 million (gross), corresponding to an estimated maximum of approximately 456,000 Kamux shares, when the value is calculated based on the volume-weighted average share price of Kamux's share in January 2024. In addition, the Board of Directors has resolved that the long-term share-based incentive plan for 2023–2026 for CEO Tapio Pajuharju, that was announced on June 21, 2023, will be discontinued as of January 1, 2024, and that CEO Tapio Pajuharju will participate in the company's new share-based incentive plan described above as of January 1, 2024. The Board of Directors has decided on a fixed maximum reward for the CEO for the performance period 2024. The maximum reward to be paid for the performance period 2024 is a maximum of 123,000 shares.

5.7 New and forthcoming IFRS standards

New and revised standards effective in January 1, 2023
From 1 January 2023, Kamux has applied the following new standards and amendments:

Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction. The amendment clarifies how deferred taxes should be recognised in a single transaction such as a lease.

Amendments to IAS 1 Presentation of Financial Statements: Disclosure of Accounting policies. The amendment clarifies in which situations a change in an accounting policy is material and should be disclosed.

Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates. The amendment clarifies the definition and application of an accounting estimate.

Amendments to IAS 12, International Tax Reform—Pillar II Model Rules. Pillar II is the OECD's initiative to address tax challenges related to the digitalisation of the global economy by introducing Global Anti-Base Erosion (GloBE) rules and a related 15% global minimum tax. The European Union's Council Directive (EU) 2022/2523 entered into force in December 2022, according to which the EU Member States shall transpose the GloBE rules into their domestic law by 31 December 2023. According to the IASB's published amendments to IAS 12, Kamux has applied the exception provided in IAS 12 paragraph 4A and has neither recognised nor disclosed information about deferred tax assets or liabilities related to Pillar II income taxes. Pillar II rules have been enacted, but are not yet in effect for the financial year 2023, in several countries where Kamux has operations, including Finland where Kamux Corporation is incorporated. Based on the impact analysis performed, income taxes concerning Pillar II are not expected to have a material impact on the income taxes of the group. However, there is uncertainty regarding how and when the jurisdictions where Kamux operates will implement the Pillar II rules, and how different authorities will interpret the global rules. Therefore, the impact of Pillar II rules on the income taxes of the group may differ from Kamux's current estimate.

Other changes of the IFRS standards and interpretations effective for periods after January 1, 2023 had no material impact on the consolidated financial statements or they were not applicable to the Group.

New and revised standards to be adopted in later financial years
Kamux has not yet applied the following new and revised standards and interpretations already issued but will be effective on financial years beginning on or after January 1, 2024. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

Effective from periods beginning on January 1, 2024: Amendments to IAS 1, Classification of Liabilities as Current or Non-current, clarify the classification of a liability as current or non-current in a situation where an entity has a right to defer its settlement for at least twelve months. In accordance with the amended guidance, a liability that is due within 12 months after the reporting date is presented as non-current if the entity has a right to extend it for at least 12 months after the reporting date. In this case, the liability is classified as non-current on reporting date even regardless of the probability or intention of the management to settle it within the next 12 months. Similarly, a liability is classified as non-current even if the right to extend it for at least 12 months is conditional and the entity is not expected to meet these conditions provided that the covenant assessment is taking place only after the end of the reporting period. In accordance with the management's estimation the amendment will not have a material effect on the consolidated financial statements.

In accordance with the management's estimation the other published new standards or amendments will not have a material effect on the consolidated financial statements or they will not be applicable to the Group.

6
Parent company financial statements

Parent company income statement (FAS)

	For the year ended December 31,	
EUR million	**2023**	**2022**
REVENUE	**10.0**	**8.2**
Other operating income	0.0	0.0
Expenses		
Materials and services		
Purchases of materials	-0.1	0.1
Total materials and services	**-0.1**	**0.1**
Personnel expenses		
Salaries and fees	-4.0	-2.5
Social security expenses		
Pension expenses	-0.6	-0.4
Other social security expenses	-0.1	-0.1
Total personnel expenses	**-4.7**	**-3.0**
Depreciation and amortization		
Depreciation and amortization according to plan	**-1.6**	**-0,0**
Other operating expenses	**-4.9**	**-5.8**
Total expenses	**-11.2**	**-8.7**
OPERATING LOSS	**-1.3**	**-0.5**

	For the year ended December 31,	
EUR million	**2023**	**2022**
Financial income and expenses		
Interest and other financial income		
From Group companies	1.8	2.6
From others	3.8	2.0
Total	5.5	4.6
Interest and other financial expenses		
To others	-4.8	-3.0
Total	-4.8	-3.0
Total financial income and expenses	**0.7**	**1.6**
PROFIT BEFORE APPROPRIATIONS AND TAXES	**-0.6**	**1.1**
Appropriations		
Group contributions received	17.5	15.0
Total appropriations	**17.5**	**15.0**
Direct taxes	-3.4	-3.2
PROFIT FOR THE FINANCIAL YEAR	**13.5**	**12.9**

Parent company balance sheet (FAS)

EUR million	At December 31, 2023	2022
ASSETS		
NON-CURRENT ASSETS		
Intangible assets		
Intangible rights	4.0	0.1
Total	**4.0**	**0.1**
Tangible assets		
Machinery and equipment	0.1	-
Total	**0.1**	**-**
Investments		
Investments in subsidiaries	60.3	55.3
Total	**60.3**	**55.3**
CURRENT ASSETS		
Non-current receivables		
Non-current receivables from Group companies	21.0	9.0
Total	**21.0**	**9.0**
Current receivables		
Trade receivables	0.0	-
Receivables from Group companies	45.1	60.4
Other receivables	0.1	0.3
Prepaid expenses and accrued income	0.2	1.5
Total	**45.4**	**62.2**
Cash at hand and in banks	5.7	3.4
TOTAL ASSETS	**136.6**	**130.0**

EUR million	At December 31, 2023	2022
LIABILITIES AND EQUITY		
Equity		
Share capital	0.1	0.1
Invested non-restricted equity reserve	25.3	25.3
Retained earnings	78.1	71.2
Profit for the year	13.5	12.9
Total	**117.0**	**109.5**
Liabilities		
Provisions		
Short-term provisions	0.1	-
Non-current liabilities		
Loans from financial institutions	9.0	11.0
Current liabilities		
Interest-bearing		
Loans from financial institutions	7.0	7.0
Liabilities to Group companies	1.3	0.7
Non-interest-bearing		
Trade payables	0.7	0.3
Liabilities to Group companies	0.3	0.9
Other current liabilities	0.1	0.1
Accrued expenses and deferred income	1.1	0.5
Total	**19.6**	**20.5**
TOTAL LIABILITIES AND EQUITY	**136.6**	**130.0**

Parent company cash flow statement (FAS)

	For the year ended December 31,	
EUR million	**2023**	**2022**
Profit for the financial year	13.5	12.9
Adjustments:		
Financial income and expenses	-0.7	-1.6
Group contributions received	-17.5	-15.0
Depreciation and amortization	1.6	0.0
Other adjustments	-	0.0
Direct taxes	3.4	3.2
Change in net working capital:		
Change in trade and other receivables	0.2	-0,0
Change in trade and other payables	0.2	0.1
Change in provisions	0.1	-
Interests paid and payments on other operating expenses	-2.1	-0.7
Interests received	2.5	2.5
Taxes paid	-2.2	-5.8
Net cash from/in operating activities (A)	**-0.9**	**-4.3**
Payments for property, plant and equipment and intangible assets	-5.6	-0.1
Investments in subsidiaries	-5.0	-8.6
Net cash from/in investing activities (B)	**-10.6**	**-8.7**

	For the year ended December 31,	
EUR million	**2023**	**2022**
Repayments of bank loans	-27.9	-26.9
Proceeds from bank loans	25.9	19.4
Net change of intra-group receivables and payables	6.9	4.5
Dividends paid	-6.0	-8.0
Group contributions received	15.0	27.0
Net cash from/in financing activities (C)	**13.9**	**16.0**
Change in cash (A+B+C)	**2.5**	**2.9**
Cash at hand and in bank at the beginning of the financial year	3.4	0.0
Exchange rate differences	-0.2	0.5
Cash at hand and in bank at the end of the financial year	5.7	3.4

Accounting principles of the parent company financial statements

General information

The financial statements of Kamux Corporation are prepared in accordance with Finnish Accounting Standards (FAS). The accounting principles of the consolidated financial statements are applied to the appropriate extent in the preparation of the Company's financial statements. In the following paragraphs are described the accounting principles of the parent company to the extent they differ from the accounting principles for the consolidated financial statements.

Revenue

Revenue of the Company consists of intra-group management fees.

Intra-group receivables and liabilities

Intra-group receivables and liabilities of the Company consist of intra-group transactions. Receivables are recognized in the balance sheet at their nominal value or their probable value, whichever is lower. Liabilities are measured at their nominal value. Interest income and expenses relating to receivables and liabilities are recognized on accrual basis and accrued to the financial year on the basis of the time period.

Loans and interest expenses

Loans from banks are recognized at their nominal value. Transaction costs related to loans are expensed at the time of taking out a loan. Interest expenses of the loans are recognized in the income statement on accrual basis and accrued to the financial year on the basis of the time period.

Deferred tax assets

The Company does not recognize deferred tax assets in the financial statements of the parent company.

Notes to the parent company's financial statements

EUR million	2023	2022
Revenue		
Services to Group companies	10.0	8.2
Total	**10.0**	**8.2**
Revenue		
Geographical distribution		
Domestic	6.1	5.1
Other Europe	3.9	3.1
Total	**10.0**	**8.2**
Personnel expenses and fees		
Salaries and fees	4.0	2.5
Pension expenses	0.6	0.4
Other social security expenses	0.1	0.1
Total	**4.7**	**3.0**
Number of personnel	26	22
Other operating expenses		
Voluntary personnel expenses	0.1	0.2
Travel expenses	0.1	0.1
Marketing expenses	0.3	1.0
Administrative services	2.0	4.0
Other administrative expenses	0.4	0.1
Other operating expenses	1.9	0.5
Total	**4.9**	**5.8**

EUR million	2023	2022
Auditor's remuneration		
Audit fee	0.1	0.1
Other services from main auditor	0.0	0.0
Total	**0.2**	**0.1**
Appropriations		
Group contribution received	17.5	15.0
Total	**17.5**	**15.0**
Non-current assets		
Other capitalized long term expenditures		
opening balance Jan 1	0.1	0.0
additions during the financial year	5.6	0.1
amortizations during the financial year	1.6	0.0
closing balance Dec 31	**4.1**	**0.1**
Investments		
Investments in subsidiaries		
opening balance Jan 1	55.3	45.8
additions during the financial year	5.0	9.5
closing balance Dec 31	**60.3**	**55.3**
Non-current receivables from Group companies		
Non-current loan receivables from Group companies	17.5	5.8
Non-current interest receivables	3.5	3.2
Total	**21.0**	**9.0**

EUR million	2023	2022
Short-term receivables		
Trade receivables	0.0	-
Total	**0.0**	**-**
Current receivables from Group companies		
Current loan receivables from Group companies	43.7	58.8
Trade receivables	1.4	1.6
Total	**45.1**	**60.4**
Prepaid expenses and accrued income		
Taxes	0.1	1.4
Other	0.2	0.1
Total	**0.3**	**1.5**
Shares		
Group companies		
Kamux Suomi Oy	100%	100%
Suomen Autorahaksi Oy (100 %)		
KMX Holding AB	100%	100%
Kamux AB (100%)		
Kamux Auto GmbH	100%	100%
Koy Autoportinkaarre	100%	100%

EUR million	2023	2022
Changes in equity during the financial year		
Share capital on Jan 1	0.1	0.1
Share capital on Dec 31	0.1	0.1
Invested non-restricted equity reserve on Jan 1	25.3	25.3
Invested non-restricted equity reserve on Dec 31	25.3	25.3
Retained earnings on Jan 1	84.1	79.2
Dividend distribution	-6.0	-8.0
Acquisition of treasury shares	-	0.0
Retained earnings on Dec 31	78.1	71.2
Profit/loss for the financial year	13.5	12.9
Total equity	**117.0**	**109.5**
Distributable earnings Dec 31		
Retained earnings	78.1	71.2
Profit for the financial year	13.5	12.9
Invested non-restricted equity fund	25.3	25.3
Total	**117.0**	**109.4**

EUR million	2023	2022
Provisions		
Short-term provisions (Re-structuring provision)	0.1	-
Total	**0.1**	**-**
Loans from financial institutions		
Nordea Pankki Suomi Oyj		
Instalments to be paid within one year	7.0	7.0
Instalments to be paid after one year	9.0	11.0
Total	**16.0**	**18.0**
Trade creditors		
Trade Payables	0.2	0.3
Trade payables recorded by journal entries	0.5	0.0
Total	**0.7**	**0.3**
Other liabilities		
Current other liabilities	0.1	0.1
Total	**0.1**	**0.1**
Current loans to Group companies		
Current loans to Group companies	1.3	0.7
Accrued expenses and deferred income	0.3	0.9
Total	**1.6**	**1.7**
Accrued expenses and deferred income		
Personnel expenses	0.9	0.4
Other	0.2	0.2
Total	**1.1**	**0.5**

EUR million	31.12.2023	31.12.2022
Pledges and guarantees		
Loans	23.0	25.0
Amount in use	11.0	13.0
Guarantees given on loans		
General guarantee		
Business mortgages		
Total bearer bonds	26.0	26.0
Special guarantee		
Business mortgages		
Total bearer bonds	52.0	52.0
Pledged subsidiary shares		
Total shares of KMX Holding Ab		
Total shares of Kamux Suomi Oy		

Kamux Oyj has given non-restricted general guarantee on behalf of its subsidiaries in Finland, in Sweden and in Germany and pledged the shares of Finland and Sweden subsidiaries.

Signatures for the report by the Board of Directors and the financial statements

Hämeenlinna, March 1, 2024

Terho Kalliokoski
Chairman of the Board

Harri Sivula
Member of the Board

Juha Kalliokoski
Member of the Board

Reija Laaksonen
Member of the Board

Antti Mäkelä
Member of the Board

Jaana Viertola-Truini
Member of the Board

Tapio Pajuharju
CEO

The Auditor's Note

A report on the audit performed has been issued today.

Helsinki, March 1, 2024

PricewaterhouseCoopers Oy
Authorized Public Accountants

Markku Launis
Authorized Public Accountant

Auditor's Report

To the Annual General Meeting of Kamux Oyj

Report on the Audit of the Financial Statements
Opinion
In our opinion

- the consolidated financial statements give a true and fair view of the group's financial position, financial performance and cash flows in accordance with IFRS Accounting Standards as adopted by the EU
- the financial statements give a true and fair view of the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Our opinion is consistent with the additional report to the Audit Committee.

What we have audited
We have audited the financial statements of Kamux Oyj (business identity code 2442327-8) for the year ended 31 December 2023. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, which include material accounting policy information and other explanatory information
- the parent company's balance sheet, income statement, statement of cash flows and notes.

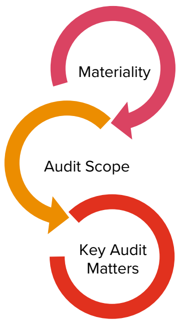
Basis for Opinion
We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, the non-audit services that we have provided to the parent company and group companies are in accordance with the applicable law and regulations in Finland and we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014. The non-audit services that we have provided are disclosed in note 2.4 to the Financial Statements.

Our Audit Approach
Overview



- Overall group materiality: € 2 600 000, calculated based on a combination of revenue and profit before tax.
- Our audit procedures covered all countries and group locations significant to the Group, with emphasis on the most prominent locations in Finland and Sweden.
- Valuation of inventories
- Valuation of subsidiary shares (Parent company)

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

Materiality
The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

Overall group materiality	€ 2 600 000 (previous year € 2 600 000)
How we determined it	An average of 5% of the group's profit before tax and 1% of revenue. Weighted 79% the group's profit before tax and 21% revenue.
Rationale for the materiality benchmark applied	We chose a combination of profit before tax and revenue as the benchmark because, in our view, these benchmarks against which the performance of the group is most commonly measured by readers of the financial statements. We chose 5% of profit before tax and 1% revenue which are within the ranges of acceptable quantitative materiality thresholds in auditing standards.

How we tailored our group audit scope

We tailored the scope of our audit, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Our audit procedures covered all significant components of the group. The audit of the consolidated financial statements was focused on the most significant locations in Finland and Sweden, where we performed an audit based on the size of the companies and the characteristics of the risks. In other group companies we have performed analytical audit procedures to mitigate the risk of material misstatements in the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Key audit matter in the audit of the group	How our audit addressed the key audit matter
Valuation of inventories *Refer to note 3.1* The Group measures inventory (€ 117,2 million) at lower of cost and net realizable value. The cost of an individual car included in the inventory balance is determined using the purchase price for the car including directly attributable repair costs for reconditioning the car for selling purposes. At the reporting date, a detailed review for net realizable value is executed for cars that have been in inventory for more than 90 days. Valuation of inventories is a key audit matter due to the size of the balance and the level of management judgement involved in the estimation process.	Our audit procedures included obtaining an understanding of management's processes and controls related to the accuracy of the valuation of inventories. in our audit we evaluated the appropriateness of the valuation principles of the group and their application to the valuation of inventories. We evaluated management's estimate of the need for write-downs for cars over 90 days in stock. We evaluated the accuracy of the write-downs compared to the group valuation principles, subsequent sales transactions and other circumstances identified during the audit. We tested the value of the sample of cars included in inventory at year-end. We compared the inventory value of the cars in the sample to purchase costs. We tested the net realizable value of a sample of cars included in inventory at year-end. We compared the inventory value of the cars in the sample to a subsequent sales price or market value.

Key audit matter in the audit of the parent company	How our audit addressed the key audit matter
Valuation of subsidiary shares in the parent company's financial statements *Refer to parent company's financial statement notes* Valuation of subsidiary shares is a key audit matter due to the size of the balance and the level of management judgement involved in the estimation process. As at 31 December 2023 the value of Kamux Oyj's subsidiary shares amounted to € 60,3 million in the parent company's financial statements prepared in accordance with Finnish GAAP. The valuation of subsidiary shares is tested as part of the group impairment testing based on the discounted cash flow model.	We reviewed management's impairment test of subsidiary shares, methods, and assumptions. We assessed the appropriateness of the method and assumptions used in the impairment test. We evaluated the process of preparing the forecasted cash flows, e.g. by comparing the management's forecasts with external forecasts, both in terms of revenue growth and operating profit. The discount rates applied within the model were assessed by PwC business valuation specialist. We interviewed management about subsequent events which might require changes to management's estimates regarding the subsidiaries' ability to generate income or the valuation of subsidiary shares.

There are no significant risks of material misstatement referred to in Article 10(2c) of Regulation (EU) No 537/2014 with respect to the consolidated financial statements or the parent company financial statements.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements
The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU, and of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or to cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with good auditing practice will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with good auditing practice, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER REPORTING REQUIREMENTS

Appointment

We were first appointed as auditors by the annual general meeting on October 10, 2015. Our appointment represents a total period of uninterrupted engagement of nine years.

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. We have obtained the report of the Board of Directors prior to the date of this auditor's report and the Annual Report is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. With respect to the report of the Board of Directors, our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion

- the information in the report of the Board of Directors is consistent with the information in the financial statements
- the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Helsinki 1 March 2024

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Launis
Authorised Public Accountant (KHT)

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