

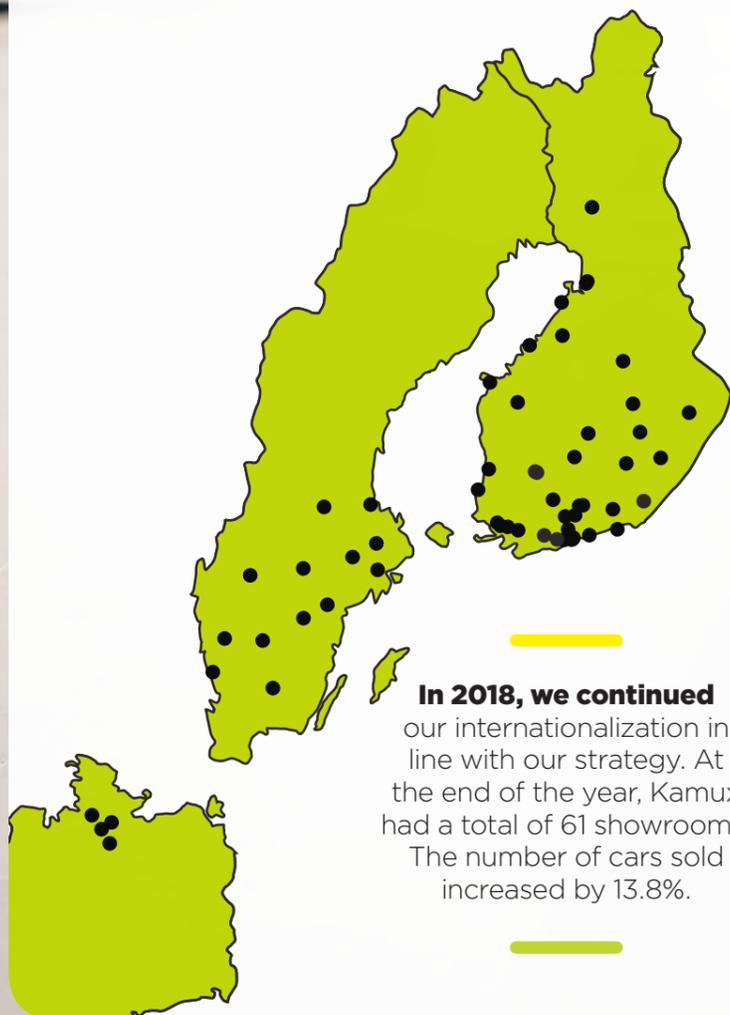
2018



Kamux Corporation | Annual Report 2018



SHOWROOMS



In 2018, we continued our internationalization in line with our strategy. At the end of the year, Kamux had a total of 61 showrooms. The number of cars sold increased by 13.8%.

KAMUX ANNUAL REPORT 2018

| | |
|---|----|
| Kamux's year 2018 | 4 |
| Kamux's business model | 6 |
| Year 2018 in numbers | 8 |
| CEO's review | 10 |
| Operating environment | 12 |
| Strategy | 16 |
| Strategy implementation | 18 |
| Value creation model | 20 |
| Business in 2018 | 22 |
| Kamux as an investment | 26 |
| Corporate responsibility | 28 |
| Corporate governance statement 2018 | 32 |
| Remuneration report 2018 | 44 |
| Board of Directors' Report and Financial statements | 48 |

HIGHLIGHTS OF 2018

In 2018, we strengthened our position further in all markets and continued the expansion of our showroom network in Finland, Sweden and Germany. We opened a total of eight new car showrooms. Kamux's positive business development in the Swedish market was particularly pleasing. We continued our journey to become the leading retail chain specializing in used car sales in Europe.

Q1

JANUARY-MARCH

- A new showroom was opened in Savonlinna to expand the showroom network in Eastern Finland.
- Our showroom in Uppsala in Sweden relocated to larger premises.
- Sweden's Country Director Robin Toss and Germany's Country Director Oliver Michels started in their positions.
- Chief Digital Officer Mikko-Heikki Inkeroinen started in his position: he focuses on Kamux's customer experience and digital business development.
- Kamux's training center was opened in Hämeenlinna. The training center trains salespeople in Kamux's way of conducting car business.

Q2

APRIL-JUNE

- Sweden's eleventh Kamux showroom was opened in Linköping. The active university and technology city is located approximately 170 kilometers south-west of Stockholm.
- Tommi Iiskonmäki was appointed as Country Director of Kamux Finland. Iiskonmäki previously served as HR Director at Kamux.

Q3

JULY-SEPTEMBER

- Ilkka Virtanen was appointed as Kamux's Director, Business Development. Virtanen is responsible for the company's strategic development projects and business development, focusing especially on new growth opportunities.
- Jennie Stenbom was appointed as Kamux's Chief People Officer. Stenbom is responsible for the company's strategic human resources management, organizational and personnel development as well as HR processes.
- Kamux's showroom in Ideapark in Lempäälä, Finland opened its doors.

Q4

OCTOBER-DECEMBER

- A new showroom was opened in Västerås, Sweden. The showroom was already Kamux's 12th in Sweden.
- Kamux's 44th showroom in Finland was opened in a busy retail area in Järvenpää.
- Kamux's 13th showroom in Sweden was opened in Varberg.
- The third showroom in Germany was opened in Ahrensburg.
- The Wentorf showroom became Kamux's fourth showroom in Germany.
- Kamux's Marcus Korner was selected as car salesman of the year at Sweden's Motorgala



Our journey to become the #1 retail chain specializing in used car sales in Europe continued.

KAMUX'S UNIQUE, OMNICHANNEL BUSINESS MODEL FOR USED CAR SALES

THE CORNERSTONES OF KAMUX'S BUSINESS MODEL

PROFESSIONAL SOURCING AND SALES

- + A wide selection of competitively priced used cars
- + Efficient car inventory management
- + Diverse selection of sourcing channels

RAPID INVENTORY TURNOVER

- + A key component of Kamux's pricing model for both sourcing and sales
- + Minimizes impairment of the car inventory and the working capital employed by the inventory

LOW FIXED COSTS

- + The majority of Kamux's operating expenses are variable, which mitigates the effect of fluctuations in revenue on Kamux's profitability
- + Kamux's operating expenses adapt to customers' changing purchasing habits

INTEGRATED SERVICE OFFERING

- + Kamux aims to increase the penetration rates of current integrated services and introduce new integrated services

THE CORNERSTONES OF KAMUX'S CUSTOMER PROMISE

ATTRACTIVE PRICING FOR CUSTOMERS - AFFORDABILITY

- + Kamux offers used cars at prices that are attractive to customers

RELIABILITY

- + Kamux is a reliable partner for its customers

BEST CUSTOMER EXPERIENCE

- + Kamux offers the best customer service in the market

INTEGRATED SERVICES

Enable serving the customer comprehensively

FINANCING

- + Quick and effortless financing through installment plan packages
- + Approximately 46% of Kamux's customers use Kamux financing

INSURANCE

- + Affordable comprehensive car insurance with If's (in 2018) vehicle insurance

KAMUX PLUS

- + A liability extension for possible car repair costs

HOME DELIVERY

- + Delivery of the car to the customer's home or workplace

SOLD CARS

Over 200,000 cars sold between 2003 and 2018

KAMUX'S VISION

To become the #1 used car retailer in Europe

AN OMNICHANNEL CUSTOMER EXPERIENCE

- + Nearly all Kamux's customers search for information about cars online before making a purchase decision
- + Internet is Kamux's most important marketing channel and Kamux has a web shop through which the consumer can buy a car directly
- + Kamux's entire car selection - even cars from different countries - is available to customers at all Kamux's showrooms
- + 29% of Kamux's sales consist of cross-selling of cars located in other showrooms
- + The car is delivered to the showroom selected by the customer
- + The home delivery service is valued by customers
- + Customers are served by an extensive network of showrooms combined with an online presence

KAMUX'S SHOWROOMS

Over 60 car showrooms in three countries.



TRENDS

- > CONTINUOUS NEED FOR CARS
- > THE IMPORTANCE OF DIGITAL CHANNELS GROWS
- > CONVENIENCE OF BUYING AND SELLING USED CARS
- > SMART SHOPPING IS INCREASING
- > INTEREST TOWARDS CARS OPERATING ON ALTERNATIVE POWER SOURCES AS WELL AS ALTERNATIVE WAYS OF ACCESSING CARS

KAMUX'S VALUES

- + Teamwork, joy and drive
- + Freedom and accountability
- + Happy customers
- + Profitable business
- + Responsibility

KAMUX'S YEAR

Our revenue grew by 16 percent from the previous year.

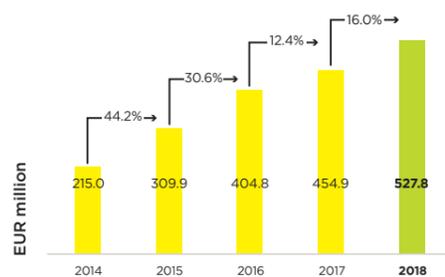
REVENUE SPLIT BY COUNTRY



REVENUE SPLIT BY PRODUCT

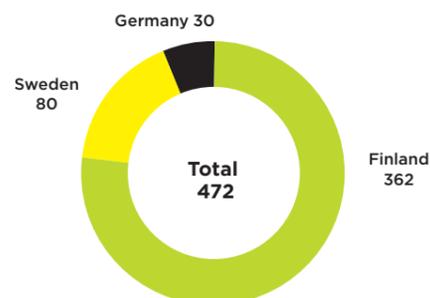


REVENUE AND REVENUE GROWTH

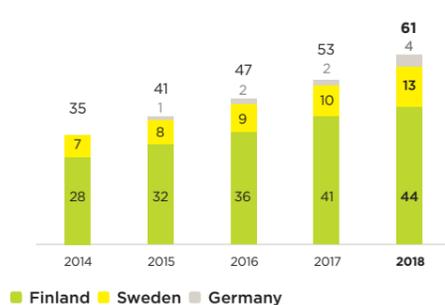


→ Revenue growth, % from the previous year

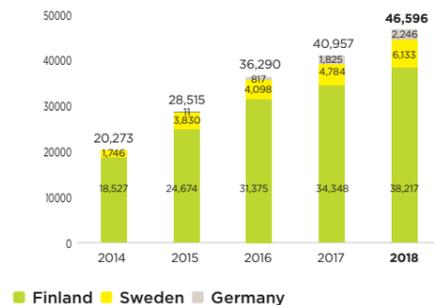
AVERAGE NUMBER OF EMPLOYEES DURING THE YEAR



SHOWROOMS AT THE END OF THE YEAR



CARS SOLD BY COUNTRY



KEY FIGURES

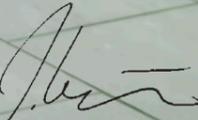
| EUR million | 2018 | 2017 | Change, % |
|---|--------|--------|-----------|
| Revenue | 527.8 | 454.9 | 16.0% |
| Gross profit | 64.9 | 53.8 | 20.5% |
| as percentage of revenue, % | 12.3% | 11.8% | |
| Operating profit (EBIT) | 18.9 | 16.2 | 16.5% |
| as percentage of revenue, % | 3.6% | 3.6% | |
| Adjusted operating profit* | 21.9 | 18.6 | 17.5% |
| as percentage of revenue, % | 4.1% | 4.1% | |
| Revenue from integrated services | 27.1 | 22.8 | 18.5% |
| as percentage of revenue, % | 5.1% | 5.0% | |
| Number of cars sold | 46,596 | 40,957 | 13.8% |
| Gross profit per sold car, EUR | 1,392 | 1,314 | 5.9% |
| Sales growth of like-for-like showrooms, % | 5.6% | -4.9% | |
| Net debt | 9.6 | 7.3 | 32.2% |
| Inventories | 71.0 | 55.2 | 28.6% |
| Inventory turnover, days | 49.6 | 46.8 | 6.0% |
| Capital expenditures | 1.3 | 1.2 | 4.8% |
| Average number of employees during the period | 472 | 418 | 12.9% |
| Return on equity (ROE), % | 22.9% | 26.6% | |
| Return on capital employed (ROI), % | 16.2% | 17.2% | |
| Equity ratio, % | 60.0% | 57.2% | |
| Earnings per share, basic, EUR | 0.37 | 0.30 | 21.9% |

Operating profit adjusted for special items related to strategy planning, strategy implementation, geographical expansion and taxes from previous financial years as well as the costs related to the initial public offering in the comparison period, totaling EUR 3.0 million for 1-12/2018 (1-12/2017: EUR 2.4 million).



CEO'S REVIEW ON 2018

In 2018, we focused on developing profitable and growing business in all our operating countries. Being a trendsetter in used car sales was at the core of all our operations.


Juha Kalliokoski
CEO,
Kamux Corporation

CEO'S REVIEW

THE YEAR 2018 was another year of growth for Kamux despite the challenging market situation and we expanded our operations as planned.

Our operating environment was influenced by the discussion around car power sources, Sweden's emission tax reform concerning new cars and Finland's vehicle tax reform on new cars based on WLTP emission tests. These created confusion among consumers, which was reflected in car retail in general.

Growth in a challenging market situation

We achieved a revenue of EUR 527.8 million, showing an increase of 16.0 percent from the previous year. Our growth was organic, based on the expansion and opening of showrooms as well as the sales development of like-for-like showrooms. We grew in a challenging market situation, which is a result of the work of each Kamux employee. Our gross profit grew by 20.5 percent and our operating profit was 3.6 percent of revenue.

I am particularly pleased with the growth and profitability development of our operations in Sweden. We achieved a positive operating profit in Sweden for the first time in 2018, demonstrating the success of our systematic development work. Development in Germany was also on the right track: revenue growth continued and relative losses decreased from the previous year. In Finland, our growth accelerated from the previous year.

Our showroom network was expanded further

We continued to expand our showroom network in line with our strategy and opened three showrooms in Finland during the year. Our internationalization also continued as planned: we opened three showrooms in Sweden and two in Germany. New openings during the beginning of the year include Kajaani, Limingantulli in Oulu, Klaukkala in Nurmijärvi, Norrtälje, Karlskrona, Göteborg and Tostedt.

Our international operations' revenue increased to a total of EUR 132 million.

Strengthening the management continued

As in the previous year, we continued to strengthen the company's management to support growth and profitability. The country directors of Sweden and Germany started in their positions at the beginning of 2018, and we appointed a new country director in Finland in June. In addition, Kamux's Management Team gained a Chief Digital Officer, a Chief People Officer and a Director of Business Development.

I am confident that Kamux is managed by a team of top professionals, who together with other Kamux employees will lead our company towards the next steps of growth and internationalization.

During the year, we also made strong efforts in training our personnel. In February, we opened Kamux's own training center, and Kamux's people developed their competence for a total of 2,070 training days.

Our business is supported by a strong model

I can once again say that our concept and the cornerstones of our business model – professional sourcing and sales, rapid inventory turnover, low fixed costs and integrated service offering – supported our growth.

At the same time, we have the agility to adapt our operations based on the customers' needs. An example of this is our significant import of alternative-energy powered cars into Finland: in 2018, we imported a total of 703 hybrid, electric and gas cars, which corresponds to approximately 13 percent of all our imported cars. The number of cars we have imported represented a significant share of alternative-energy powered cars available in Finland. I believe that increasing this supply also resulted in new customers for us.

Customer satisfaction is a cause for joy

Kamux wants to be a reliable partner for its customers and strives to offer the best overall service and pricing that is attractive to customers. We also want to be a trendsetter in car sales and a forerunner in the digitalization of the industry.

We continued our diverse digital development work – after all, our customer engagement practically always begins online. In addition to digitalization, we continued our service development, along with increasing transparency, in order to improve the customer experience further.

Towards a year of growth 2019

During the past year, we focused strongly on operational business, after a very busy year of the IPO in 2017. I have been glad to witness the enthusiasm of Kamux employees at work this year as well: our work reflects our passion of being a trendsetter in used car sales.

At the start of 2019, we announced our medium-term financial targets spanning until 2022. In accordance with these targets, we will continue our work towards future growth – our goal is to become the number one retail chain specializing in used car sales in Europe.

CHANGES IN CAR TAXATION AND PUBLIC DEBATE ON EMISSIONS WERE REFLECTED IN THE MARKET SITUATION IN 2018

Continuous need for cars, increasing significance of e-commerce and digital footprint in car sales as well as the importance of high-quality and competent customer service were important trends also in 2018. The political debate on emission limitations, car and fuel taxes as well as new power sources caused uncertainty among consumers and impacted car sales.

THE DEVELOPMENT AND GROWTH of the used car market is affected most by the general economic situation as well as the development of the size of the population and urbanization as well as other mega trends. The positive general economic situation in the recent years has also supported used car sales. Public discussion around, for example, car emissions as well as political decisions and changes in car taxation are reflected in the development of the used car market.

Kamux's operating environment in 2018

Kamux's operating countries had similar market situations in 2018. We retained our position of market leader in the Finnish used car market. There was active public discussion in 2018 around the power sources of cars and the new vehicle tax reform based on WLTP emission tests which was set by the state of Finland. The used car market saw a slight decline during the year. According to The Finnish Information Center of Automobile Sector, the first-time registrations of new cars increased by 1.6 percent from the previous year. According to the same source, 94.3% of the first-time registrations of passenger cars were powered with gas or diesel and 5.7% with other power sources, majority of them hybrids. The number of gas and electric cars continues to be very small. Kamux estimates that its market share in Finland grew in 2018 and was approximately 8%.

In Sweden, the sales of new cars were affected by the law introduced in the summer set-

ting stricter taxes on new cars based on emissions. The introduction of the law boosted the sales of new cars during the first half of the year, but the sales slowed down significantly during the second half of the year, affecting also used car sales due to the decreased availability of trade-in cars. According to our estimate, the market declined clearly in Sweden. According to Vroom, the share of petrol and diesel passenger cars in Sweden in 2018 was 91.5%, the share of diesel cars was 35.1% and the share of cars powered with other power sources than petrol or diesel was 8.5%. The share of electric cars was 0.4%. In 2018, 36.7% of first-time registered cars were diesel cars.

Used car sales between consumers has a larger role in in Sweden than in Finland. We gained a stronger foothold in the Swedish market, although Kamux still has a less than 1% market share in Sweden and hence plenty of growth potential.

The German market declined slightly in 2018. The air quality in cities continued to be a topic of discussion, and limitations were set on the use of older diesel cars in the centers of certain big cities. According to Kraftfahrt-Bundesamt, the total share of gas and diesel cars in Germany in 2018 accounted for approximately 98% of all passenger cars, with diesel cars comprising approximately 33 percent, i.e. approximately 15 million cars. The number of cars powered by power sources other than gas or diesel still ac-

counted for less than two percent of the market and the share of electric cars was 0.1% in 2018. Kamux's market share in Germany continues to be very small.

We strengthened our market position in Finland and our internationalization advanced as planned.

Political decisions and public discussion were visible in the development of the used cars market.



KEY MARKET TRENDS IN THE USED CAR INDUSTRY

1.

CONTINUOUS NEED FOR CARS

KAMUX'S MARKET REGIONS include several different factors that strengthen and maintain the demand for cars. The number of registered cars has increased in all Kamux's markets since 2010, which increases the trade-in stock. In Finland and Sweden, distances are long and the population is relatively small, which weakens the competitiveness of public transport outside of large cities compared to private driving. In Germany, demand for cars is supported by the relatively long commuting distances and the popularity of commuting by car.

It is estimated that the amount of money spent on used cars is typically among the five largest categories of household consumption in all Kamux's markets.

KAMUX HAS A PROFESSIONAL business model focused on used cars retail, which the company develops continuously. Kamux is able to offer its customers a wide selection of competitively priced used cars and integrated services, serving consumer needs better than traditional sales channels.

2.

CONVENIENCE OF SELLING AND BUYING

ONE OF THE MOST IMPORTANT consumer trends has been the ease of buying. Therefore, consumers selling their used cars may also be willing to pay extra for a new car if they can sell their old car as easily and conveniently as possible at the same time. This is believed to benefit online car dealers and brokerage sites, but also the procurement operations of car dealers that acquire used cars, if consumers find selling to them easier than selling directly to another consumer. Consumers seeking ease and convenience are believed to receive added value from having all the services they need available from the same player.

KAMUX PROVIDES a fast and justified price appraisal for a trade-in car. In addition to selling and procuring trade-in cars, Kamux offers its customers integrated solutions through financing products, insurance, and Kamux Plus. The customer service concept also includes a home delivery service. Hence the customer can get from Kamux all the services they need to sell and purchase a used car. Customer satisfaction remained at a good level in 2018.

3.

INTERNET AND MARKET TRANSPARENCY

THE IMPORTANCE OF DIGITAL CHANNELS in retail has increased significantly. Consumers are increasingly using several different channels for buying individual products, also in the retail of used cars. A good customer experience and comprehensive communication are becoming more central in the operations of used car showrooms each year. Today, customer engagement often begins online.

INTERNET IS ALSO Kamux's most important marketing channel: the majority of Kamux's marketing is done through digital channels. The company has an online store through which the customer can buy a car directly.

4.

SMART SHOPPING TREND

THERE IS MORE INFORMATION available to consumers nowadays on products and their sellers than ever before and, accordingly, consumers are better able to compare various alternatives. The so-called smart shopping trend is seen to have gained popularity. The smart shopping trend is believed to make consumers even more price-conscious and more active in comparing prices. The trend is also believed to decrease consumers' willingness to pay for what they consider to be unnecessary features or settings.

THE PROCUREMENT OF THE RIGHT CARS at the right prices and offering used cars for the consumer with an attractive price has a significant role in Kamux's business model. The goal of Kamux's business model is to offer customers a total service offering that serves their needs better than traditional sales channels.

5.

CARS RUNNING ON ALTERNATIVE POWER SOURCES AND ALTERNATIVE WAYS OF ACCESSING CARS

GLOBAL WARMING and the related discussion also affect the transportation of people and goods, thus also affecting used car retail sales. Interest towards alternative power sources (hybrids and electric and natural gas cars) is increasing, although their share of the car stock is still very low. Alternative-energy powered cars are in a high price range, which affects the decisions made by consumers. The selection, availability and operating range of electric cars also impact consumer decisions.

A notable factor for the car industry is that there is a low supply of alternative-energy powered cars, even new ones, in a lower price range, especially in Finland. This also affects the number of used cars available. The charging stations of electric cars as well as gas refueling stations for natural gas cars are still in the process of becoming widespread in Finland, which affects the actual possibilities available to people in terms of choosing a power source.

The joint ownership and car sharing have not increased in popularity. People consider having a car of their own an easier and nicer option, or it is better suited for their way of living and transportation needs. The willingness of consumers to pay a fixed monthly price for a car has, however, increased.

KAMUX'S FLEXIBLE DECISION-MAKING and business model enable responding to customers' changing needs in an agile way. In 2018, Kamux imported a total of 703 alternative-energy powered cars to complement the offering in the Finnish market.



KAMUX'S GROWTH STRATEGY

The core of our strategy still comprises continuous profitable growth, improving profitability, offering excellent customer experience and our skilled personnel. For our customers, we want to offer the best customer experience in the industry, relying on our professional concept.

THE CORNERSTONES OF KAMUX'S STRATEGY

Profitable growth in Kamux's current markets

- > Our growth is supported by opening new car showrooms and increasing sales at existing car showrooms.
- > We will grow in our market areas of Finland, Sweden and Germany.
- > Increasing our digital footprint and our omnichannel presence support growth.

Improving profitability

- > In Finland, we focus on streamlining operations through constant development of our processes and concept.
- > In Sweden and Germany, we focus on increasing profitability while growing our business gradually.
- > We utilize benefits of scale to improve profitability, for example in procuring services.
- > We aim to improve profitability by introducing new integrated services.

Offering an excellent customer experience

- > We aim to offer a best-in-class customer experience in used car retail.

- > We want to be a trendsetter in the industry: our goal is to have customers feel they can trust our sales and purchase process and to serve the customers attentively in all situations, regardless of channel.
- > We react to customers' needs and the changing demand flexibly.
- > We expand our service offering by developing new integrated services.

Personnel commitment and motivation

- > Committed, skilled and motivated personnel are a key to success in the competitive car retail sector.
- > We hold regular trainings for our sales personnel on the Kamux operating model.
- > We aim to align our own and employees' interests through incentive schemes.

Unique concept and business model

- > Professional process of purchasing and selling cars for the right price
- > Low fixed costs
- > Rapid inventory turnover

MEDIUM-TERM FINANCIAL TARGETS

- > We announced our strategic medium-term financial targets in 2019. Our targets for 2019–2022 are revenue growth of more than 10% and an EBIT margin of at least 4%.

In addition, we aim to have a dividend payout of at least 30% of the profit for the financial year.



IMPLEMENTING KAMUX'S STRATEGY IN 2018

We expanded our showroom network and continued our internationalization in line with our strategy

During 2018, we opened a total of eight car showrooms, three in Finland, three in Sweden and two in Germany. In Finland, new showrooms were opened in Savonlinna, Lempäälä Ideapark and Järvenpää. In Sweden, the Kamux showroom network was expanded to Linköping, Västerås and Varberg during 2018. Our Uppsala showroom was relocated to larger premises. In Germany, new showrooms were opened in Ahrensburg and Wentorf. The showroom openings at the first half of 2019 include Limingantulli in Oulu, Kajaani and Klaukkala in Nurmijärvi as well as Norrtälje, Karlskrona, Göteborg and Tostedt.

Country Directors and the Director of International Business are

responsible for the consistent implementation of the Kamux concept. By increasing consistency in operations and training personnel, we have stabilized our operations in Sweden, and the business result turned positive in 2018. Processes will continue to be developed in Germany.

We developed our first-class customer experience and service as well as digital services

Developing digital systems and services as well as increasing the digital footprint are at the core of Kamux's strategy. In 2018, we continued to develop our digital services. We developed our ICT system to increase efficiency in inventory management and to offer more versatile sales tools.

In 2018, Kamux's strategy was implemented according to plans.

We trained our sales personnel in omnichannel customer service. These days, the customer contact starts nearly always online, which makes our online presence central to the sales process. The customer may use our chat service when making online purchases. In addition, the kamux.fi web shop can be used to reserve and pay for a car.

Kamux aims to offer different integrated services for customers to improve the service offering, and we will continue to develop our integrated services for the purpose of offering a first-class customer experience.

We improved profitability by following the concept

Year 2018 was a turning point, as Sweden's business turned profitable. The work done in the last few years to implement the Kamux concept, improve profitability and streamline operations has proven to be successful. In Germany, the development and expansion of the Kamux operating model and processes continued.

In Finland, the development of processes and guidelines continued in the same way as in the previous year.

We invested in personnel development and training

We made new investments in personnel well-being and training. In 2018, we appointed a new Chief People Officer to develop the strategic HR function supporting the company's international growth. Kamux is a purchase and sales organization where active and committed salespeople are central to the success of the business.

At the beginning of the year, we opened a training center for sales personnel in Hämeenlinna. In addition, a new coaching program was launched for showroom managers. Trainings in the Swedish and German markets are implemented locally. The trainings' focus on sales personnel as a successful introduction to the Kamux operating model is a good basis for the salesperson's, as well as Kamux's, success and growth. At the Kamux training center, training can be tailored better to each salesperson's needs and plans

We invested especially in the training and well-being of our employees as well as in leadership development.

for further training can be customized. Each year, a separate training plan will be drafted that Kamux employees will follow systematically.

THE CORNERSTONES OF KAMUX'S BUSINESS MODEL

- + PROFESSIONAL SOURCING AND SALES
- + RAPID INVENTORY TURNOVER
- + LOW FIXED COSTS
- + INTEGRATED SERVICE OFFERING

WE UTILIZE

- Extensive vehicle selection and database: approximately 5,000 cars
- Large clientele
- Well-developed international purchasing networks and sourcing channels: approximately 100 car suppliers
- Professional purchasing and sales teams
- A strategically expanded showroom network: 61 showrooms and an online store at the end of 2018
- Stable financial position: equity of approximately EUR 70 million
- A CRM/ERP system tailored for Kamux
- A market leader in Finland
- Growing presence in the Swedish and German markets



WE PRODUCE

- We respond to transportation needs: A total of 46,596 cars sold in 2018
- All essential car-related services: Kamux insurance, Kamux Plus and Kamux financing
- In 2018, we imported 5,448 cars
- We renew Finland's car stock (average age of approximately 12 years): In 2018, the average age of imported cars was 3.9 years, 13 percent of which ran on alternative fuels
- We promote a Code of Conduct in car sales and reliability in used car sales



OUR IMPACT

Societal impact

- We promote mobility
- By renewing Finland's vehicle fleet, we increase traffic safety and offer more environmentally-friendly vehicle alternatives
- We do reliable used car sales
- We offer employment throughout Finland
- We are part of the circular economy

Social impact

- We employ directly and indirectly on a local level: we have a staff of approximately 472 as well as 5,000 partner companies in Finland, Sweden and Germany
- High work satisfaction rate: an average of 4/5 in 2017
- Good level of customer satisfaction: an average of 4.2/5 in 2018

Environmental impact

- We bring lower-emission cars to Finnish roads
- We recycle existing commodities and do not use natural resources to produce new
- Our emissions result primarily from heating our premises and from transferring cars

Economic impact

- Profitability: in 2018, our operating profit totaled EUR 19 million
- Increasing shareholder value: in 2018, we paid a total of EUR 5 million in dividends
- Investments: a total of EUR 1 million in 2018
- Salary and taxes: approximately EUR 57 million in 2018
- We increase our suppliers' revenue

A YEAR OF PROFITABLE GROWTH AND EXPANSION

Kamux's profitable growth continued in 2018. Internationalization advanced as planned, and Sweden's business turned profitable during the past year. Our growth was organic and was based on the sales development and expansion of our existing showrooms as well as the expansion of our showroom network.



Our year in the Swedish market was very successful – after all, we achieved a positive result and continued our growth. Our success was the result of several right measures, and our business operations progressed as planned. The change demonstrated the strengths of the Kamux concept: skilled and customer service-oriented sales personnel, low cost structure and rapid inventory turnover supported our success.

We will renew the sales of used cars in Sweden as well: we are an open and reliable used car provider that considers the needs of our customers.

ROBIN TOSS, Kamux's Country Director, Sweden

FINLAND

IN FINLAND, REVENUE increased to EUR 419.1 million (372.4) in 2018. The increase in revenue was based on new showrooms and the sales growth of like-for-like showrooms. Integrated services revenue increased to EUR 24.0 million (20.6), amounting to 5.7% (5.5) of revenue. Operating profit increased to EUR 24.1 million (23.1), accounting for 5.8% (6.2) of revenue.

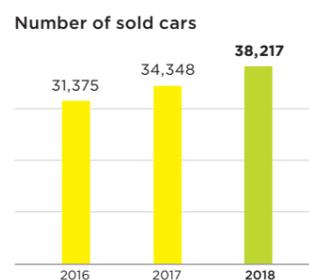
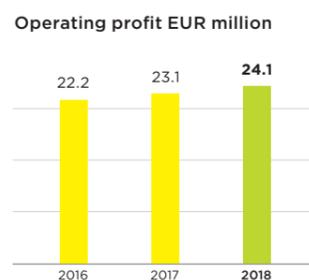
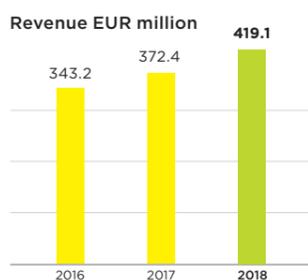
At the end of 2018, Kamux had a total of 44 showrooms in Finland – we opened three new showrooms during the year. The number of sold cars

increased to 38,217 (34,348). We strengthened our market position in Finland and retained our position of market leader in used car retail.

The public discussion on car sales focused on power sources, particularly on electric cars and diesel car emissions. The vehicle tax reform of 2018 for new cars based on the WLTP emission tests also caused uncertainty among consumers. This uncertainty was strongly reflected in the purchase of new cars as prolonged or postponed purchase decisions. Although consumers are

interested in electric cars, the price level of these cars continues to be outside the reach of most consumers, and the share of electric passenger cars is very low. The economic upturn that continued in 2018, on the other hand, strengthened consumers' confidence. Our customer-focused operating model and agile decision-making enable us to respond quickly to the market situation and demand. Although the market declined slightly, Kamux managed to increase its market share.

KAMUX FINLAND



SWEDEN

IN SWEDEN, REVENUE increased to EUR 101.9 million (73.2). The increase in revenue was based on new showrooms, showroom expansions and the sales development of like-for-like showrooms. The number of cars sold increased to 6,133 (4,784).

The persistent measures taken to develop the concept and operating model have borne fruit in Sweden. Sweden's business returned to a growth path in 2017, and the year 2018 was a

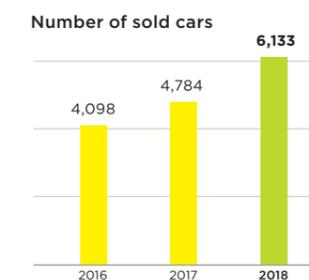
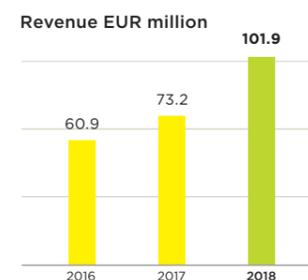
turning point in profitability. The result was positive for the first time and totaled EUR 0.9 million (-0.1). At the end of 2018, Kamux had 13 car showrooms in Sweden, representing an increase of three showrooms in our network.

In July, a new law was introduced in Sweden regarding taxation of new cars that imposes stricter taxes on new cars based on emissions. In 2018, discussion around regional limitations on car emissions arose in the Stockholm

area. The year was a confusing one for Swedish consumers making car purchase decisions, and the Swedish market declined.

During 2018, we developed our recruitment process to ensure that the best possible professionals are recruited to meet our growth needs. Correspondingly, we focused more resources to personnel training in Sweden due to the growth in operations.

KAMUX SWEDEN





Flexibility is one of Kamux's strengths. In Germany's Wentorf, we opened a new kind of modular showroom. The showroom type is an excellent example of Kamux's agile way of implementing its concept. The Wentorf showroom is located in the middle of a busy retail area, meaning that Kamux is operating right where the consumers spend time and like to do business. We want to flexibly be where our customers are – I believe that this is an innovative example of serving customers interested in car sales.

OLIVER MICHELS, Kamux's Country Director, Germany

GERMANY

IN GERMANY, REVENUE increased to EUR 30.1 million (22.8), corresponding to a growth of 31.8 percent. The increase in revenue was mainly based on fine-tuning the operating model in existing showrooms. Operating loss decreased further and totaled EUR -1.8 million (-1.9). At the end of 2018, Kamux had four car showrooms in Germany. The number of cars sold increased to 2,246 (1,825).

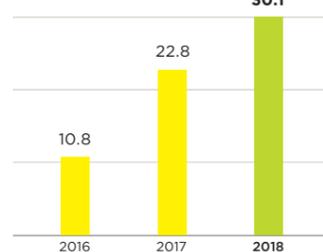
In the German market, we focused strongly on building a basis for growth: we developed our internal processes and structures and recruited the right kind of talent, for example a new country director. We also focused on implementing Kamux's operating model on the newest market. We will continue the work in the coming years by investing further in recruitment processes to find the right kind of talent. We

will focus on providing reliable car sales at consumer-friendly prices and building a stronger foothold in the German market.

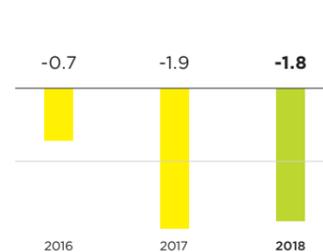
In 2018, car trade in Germany was shadowed by the highly publicized diesel car emission scams as well as the use limitations on diesel cars in the centers of a few big cities. Yet, the market declined only slightly.

KAMUX GERMANY

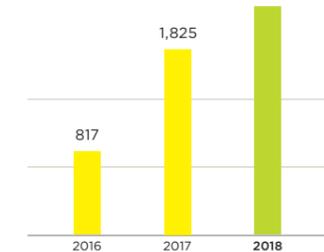
Revenue EUR million



Operating profit EUR million



Number of sold cars



Finland, Sweden and Germany together form an over EUR 100 billion market.

UNIQUE BUSINESS MODEL WITH ATTRACTIVE GROWTH POTENTIAL

Large and fragmented used car market

- The European used car market is large and fragmented. Kamux estimates that the Finnish, Swedish and Germany markets total over EUR 100 billion.
- The used car market is expected to consolidate, and the demand will focus increasingly on professional operators.
- The offering and customer service of traditional used car sales channels do not meet customer needs. Our business model is based on professional sales, which creates a strong basis for Kamux to increase its market share.
- The demand is expected to remain good in Kamux's domestic market due to market characteristics such as long geographical distances, weaker competitiveness of public transport outside the largest cities and decreasing average household size.
- In the long term, also changing service expectations for transportation as well as customers' changing purchasing behavior can create growth opportunities.

Strong and profitable organic growth combined with future growth prospects

- Kamux's strong growth is based on the increased sales of its existing showrooms, opening of new car showrooms and a good customer experience.
- In 2018, we grew in a challenging market by 16%. During the last five years, we have grown 26% per year on average.
- Kamux has recognized the importance of digital channels in used car sales and aims to be a forerunner also in the digitalization of the industry.
- Kamux is one of the few used car retail chains operating in several countries. Our growth is directed at markets where we believe we can achieve a strong position as a retail chain specializing in used car sales. In our internationalization process, we utilize know-how gained in Finland. Our international operations' revenue increased to a total of EUR 132 million.

Professional business model focused on trading in used cars

- Kamux offers a wide selection of competitively priced used cars, including cars powered by alternative power sources. Efficient inventory management enables pricing that is attractive and affordable to the customer.
- Rapid inventory turnover is a key component of our pricing model. Rapid inventory turnover enables us to minimize impairment in the value of the car inventory and the amount of working capital employed by the inventory.
- Efficient, professional sourcing and good sourcing channels enable a versatile selection of cars that is reasonably priced and interesting to consumers.
- Kamux's economic flexibility is also reflected in low fixed costs and the large share of variable costs.
- Integrated services are an important part of the business model. The goal is to increase the penetration rates of current integrated services and introduce new integrated services.

Kamux's CRM/ERP system

- Our CRM/ERP system increases the efficiency of the sales personnel's actions, directing them towards Kamux's process model.
- The system's car, inventory and price information are updated in real time, enabling high sales

volumes of cars and integrated services and reliability of operations.

- The system enables monitoring the development of Kamux's business and sales based on real-time and detailed data.
- We continuously invest in the development of the CRM/ERP system.

Experienced and motivated personnel

- Management's industry knowledge and experience, together with skilled personnel, provide a competitive advantage.
- In 2018, we continued to strengthen the Management Team.
- Professional, motivated and committed personnel is one of Kamux's key strengths. Kamux focuses strongly on improving the personnel's competence and maintaining their job satisfaction.
- We work together with a wide cooperation network: Kamux has approximately 5,000 local cooperation partners in three countries.
- Our flexible decision-making enables us to quickly react to market changes.
- Kamux aims to align its own and its employees' interests through its incentive scheme.



CORPORATE RESPONSIBILITY AT KAMUX

Kamux purchases and sells used cars and as such, Kamux's business is part of a circular economy. A key circular economy goal is to save non-renewable natural resources by reducing the share of producing new items and commodities. The circular economy concept involves sharing, renting, repairing and refurbishing, reusing and recycling. We are a responsible player and operate according to the material responsibility themes we have defined.

IN 2017, WE DEFINED our material responsibility themes, which are: the Code of Conduct, fair and rewarding employer, excellent customer experience, profitable growth, and reasonable use of resources. In 2018, we continued to develop our responsibility work by, for example, defining the goals and development measures of Kamux's responsibility work.

The focus areas we have identified for the coming years are advancing transparency further in car sales, further development of internal operating models supporting transparency, ensuring an excellent customer experience and conducting business smoothly regardless of situation and channel.

KAMUX'S MATERIAL RESPONSIBILITY THEMES

| | | | | |
|---|--|---|---|---|
| <p>THE CODE OF CONDUCT</p> <p>We are a car retail forerunner in creating a culture of trust and openness. We develop our internal working ways so that the Code of Conduct is realized every day. We comply with laws and regulations.</p> | <p>FAIR AND REWARDING EMPLOYER</p> <p>We look after our personnel and treat our employees equally. We offer our employees opportunities to develop as car sales professionals in a fair and rewarding work community.</p> | <p>EXCELLENT CUSTOMER EXPERIENCE</p> <p>Doing business with Kamux is quick, smooth and transparent. We are accessible and always available to help our customer in selecting a car and selling a trade-in car to Kamux. We develop our operations by listening to our customers.</p> | <p>PROFITABLE GROWTH</p> <p>We ensure that our business is on a solid foundation and growing also in the future. We offer work and well-being to society while creating value for the owner.</p> | <p>REASONABLE USE OF RESOURCES</p> <p>We take reasonable use of resources into consideration in all our operations and develop more sustainable solutions for car sales. We also expect reasonable use of resources from our partners.</p> |
|---|--|---|---|---|

Code of Conduct

A key business principle for Kamux is to operate responsibly. We want to be a car retail forerunner and do reliable and open car sales. In our operations, we follow Kamux's Code of Conduct, which our entire personnel comply with in their daily work. Our new sales personnel receive a thorough training for the working ways of the Code of Conduct.

Our largest sales organization is located in Finland, but the Code of Conduct is used in all our markets. The Code of Conduct has been translated into English, Swedish and German and it is available on Kamux's website. We also expect our car, service and goods suppliers to adopt our supplier guidelines, as we want our partners to follow good and honest ways of working.

According to the Code of Conduct, Kamux always complies with the Consumer Protection Act. We also do not approve, facilitate or advance money laundering and we instruct our personnel to prevent grey economy. For example, we do not purchase cars imported less than six months ago unless we can confirm that the car's importation has been carried out in compliance with legislation and appropriate taxation. We do not advance our own interests nor accept bribes.

During the sales process, we disclose the condition of the car and its potential shortcomings honestly. Kamux participates in car repair costs in accordance with the life-cycle approach recommended by consumer advice services.

Fair and rewarding employer

Kamux wants to be a fair, inspiring and motivating employer. We comply with the rights of the employee defined by the International Labour Organization and always abide by labor legislation. Kamux also always acts according to the United Nations' Universal Declaration of Human Rights.

A committed and motivated personnel is the key to our success. We offer our employees ways to grow and develop further in their careers. Kamux's profitable growth also makes the company a stable employer.

In 2018, we put special focus on the training of our sales personnel in all countries and opened a training center for our salespersons in Hämeenlinna,

Finland. We focus on training our sales personnel on the Kamux concept and ways of working, and the training center received very positive feedback from Kamux employees during its first year of operation. The number of training days totaled 2,070 in 2018 on the Group level.

Kamux is a responsible employer, and we support a working culture based on trust, assistance and respect. We are also an employer in sparsely populated areas, we promote youth employment by hiring them after graduation and training them in car sales. In addition, we offer summer jobs for young people. We also extend careers by employing seniors in car delivery tasks. In 2018, the sickness absence rate was 1 per cent, which equals to an average of 2.4 days of absence annually per person.

We are an equal employer who respects employees' privacy, freedom of religion, freedom of association and freedom to organize professionally. We hire new Kamux employees regardless of background, equally and fairly. At the end of 2018, the number of personnel at Kamux converted to full-time equivalent (FTE) employees was 472, of whom around 90% were men and 10% women.

The next work satisfaction survey will be carried out in 2019. In fall 2018, we clarified Kamux's values based on the value process carried out together with employees. Kamux's values are:

- Teamwork, joy and drive
- Freedom and accountability
- Happy customers
- Profitable business
- Responsibility

Excellent customer experience

All customers who have done business with Kamux are sent a customer satisfaction survey after the sales, which functions as a key indicator for the success of our operations. 6,081 of our customers 4,702 took part in the survey in 2018. According to the survey, Kamux's customers are ready to recommend Kamux to their friends with a grade of 4.2/5 (4.3/5). The recommendation willingness remained at a good level.

Kamux's after-sales service team together with sales are tasked with managing claims in accordance with the company's internal guidelines. We aim to handle claims quickly, openly and fairly to achieve a first-class customer experience. The after-sales team supports our sales personnel in challenging situations and technical matters and helps to find the most suitable and affordable spare parts as well as repair methods and places. The same operating model is used in all countries. The number of claims in relation to sold cars remained at the previous year's level.

In addition to the sales of used cars, Kamux also purchases used cars from consumers. We want the customer to feel that they get an expert evaluation, fair treatment and the right price for their car.

From the start, Kamux has had a strong presence online, which is where the customer's purchase journey often begins. The significance of e-commerce has in general increased in the past few years. In 2018, Kamux invested in its online car sales and customer service further. We want to offer service wherever the customer is searching for it. We have trained our sales personnel and developed service elements on-

In 2018, 13 percent of all cars imported by us ran on alternative power sources.

line. We have a web shop and a chat service providing the customer easy access to our sales personnel. Kamux's vehicles high visibility in different portals is part of our digital presence.

Profitable growth

Our goal is to shape the retail market for used cars in an even more responsible direction. We are committed to responsible and profitable organic growth. We develop our web shop and open new showrooms annually in all our markets. In the Swedish and German markets, we focus on growth centers and retail hub locations and continue to scout new locations for our showrooms. We also focus on increasing the sales of our existing showrooms by utilizing digital channels.

Kamux's growth is based on a solid foundation. In 2018, the Group's revenue increased from the previous year and amounted to EUR 527.8 million (454.9). The operating profit margin was 3.6 percent and profit for the financial year was EUR 14.6 million. Our inventory turnover was 49.6 (46.8) days: efficient inventory management and rapid inventory turnover are a part of Kamux's concept.

We paid EUR 4.9 million (5.1) in income tax. Our tax footprint was EUR 56.8 (39.5) million.

In January 2019, we updated our medium-term financial targets. Our targets for 2019-2022 are revenue growth of more than 10% and an operating profit margin of at least 4%.

We aim to distribute a dividend of at least 30% of profit for the financial year. For the financial year 2018, Kamux's Board of Directors proposed a dividend payout of 44 percent of profit.

Reasonable use of resources

Kamux's operations are part of a circular economy, where non-renewable natural resources are saved through repairs, reuse and recycling.

We carry out used car retail by purchasing cars through our delivery network and from individual consumers and by selling them forward. Purchasing cars is always done according to Kamux's procurement guidelines.

The climate impacts of our operations result primarily from moving cars between showrooms as well as car repairs. We seek to optimize the transportation of cars through the selection of routes and transportation modes. In order to minimize our impact, the cars to be transferred will be fueled with only the necessary amount of fuel.

Maintenance, repairs and car washes are carried out by national as well as local partners. The total number of partners is approximately 5,000, including car procurement channels and partners. We use recycled spare parts when possible. We expect that our partners recycle their waste such as batteries, tires and problem waste in an appropriate manner.

The emissions from our showrooms result primarily from lighting and heating. Our showrooms have been equipped with doors that close automatically to reduce energy loss. Emissions generated by employee travel are curbed by favoring remote meetings via phone or internet.

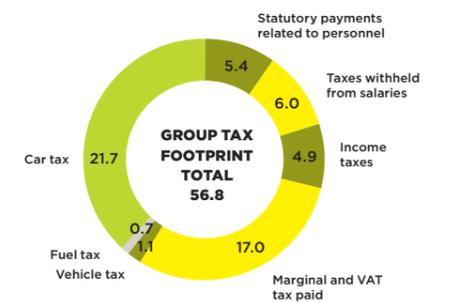
The climate impacts of the cars sold by Kamux are created during their manufacturing and use. We renew the Finnish vehicle fleet by importing cars with lower emissions compared to those currently in use

The average age of the cars imported by Kamux was 3.9 years.

on Finnish roads on average. The average age of the cars imported by Kamux was 3.9 years, compared to the average age of 12 years of cars used in Finnish transportation in 2017 reported by the Finnish Information Centre of Automobile Sector.

13 percent of the cars we imported into Finland in 2018 were running on alternative power sources, including hybrids, electric, natural gas or ethanol cars, and they accounted for two percent of all the cars we sold in Finland. According to the Finnish Information Centre of Automobile Sector, 5.7% of first-time registration passenger cars in Finland in 2018 were powered by alternative power sources. The Kamux Green shop-in-shop, located in the Konala showroom in Helsinki, received positive feedback and the concept has already been expanded elsewhere.

GROUP'S TAX FOOTPRINT (EUR MILLION)





**CORPORATE GOVERNANCE
STATEMENT 2018**

**REMUNERATION
STATEMENT 2018**

CORPORATE GOVERNANCE STATEMENT 2018

Kamux Corporation's ("the company" or "Kamux") corporate governance complies with the Finnish Limited Liability Companies Act, regulations concerning listed companies, the company's Articles of Association, and rules and regulations of Nasdaq Helsinki Ltd. The company also adheres to the Finnish Corporate Governance Code 2015 issued by the Finnish Securities Market Association. An unofficial English translation of the Finnish Corporate Governance Code is available on the Security Market Association's website at <https://cgfinland.fi/>.

The Corporate Governance Statement is issued as a separate statement from the Report by the Board of Directors. The statement will not be updated during the financial year, but the relevant information related to the subjects it contains as well as other necessary and up-to-date investor information is available in the investor section of the company's website at www.kamux.com.

Governing bodies of Kamux

The governing bodies of Kamux are its General Meeting of shareholders, the Board of Directors and the CEO. The highest decision-making power in Kamux is exercised by the company's shareholders at the General Meeting. The Board of Directors and the CEO are responsible for the management of the company. The Management Team assists the CEO in operative management of the company and the Group.

General Meeting

The General Meeting of shareholders is the highest decision-making body of Kamux. The Annual General Meeting

shall be held once a year by the end of June. It decides on matters in its authority, stipulated in the company's Articles of Association and on proposals made to the Board. The Annual General Meeting normally takes place in March-April. An Extraordinary General Meeting can be convened if needed. The Board of Directors is required to organize an extraordinary meeting if requested in writing by a company auditor or shareholders holding a minimum of 10 percent of the company's shares in total for the purpose of discussing a specific issue.

The duties of the General Meeting are defined in Kamux's Articles of Association and include:

- > Decisions on changes to the Articles of Association;
- > Adoption of financial statements;
- > Use of the profit shown on the balance sheet;
- > Discharging the members of the Board of Directors and the CEO from liability;
- > Decision on the number of members of the Board of Directors;
- > Election of the Board of Directors and the decision on their remuneration;
- > Election of the auditor and the decision on his/her compensation.

The notice convening the General Meeting shall be delivered to the shareholders by publishing the notice on the company's website or by a newspaper announcement which is published in one or several widely circulated daily newspapers chosen by the Board of Directors, no earlier than three months and no later than three weeks before the

meeting, and in any case at least nine days before the record date. The notice of the General Meeting and the Board's proposals for the meeting are also published as a stock exchange release.

The notice of the meeting, the documents to be presented at the General Meeting and the proposals for the decisions of the Board of Directors or other decision-making bodies will also be available on the company's website no later than 21 days before the General Meeting.

Board of Directors

The Board of Directors is responsible for the governance of the company and the appropriate organization of its operations. The Board of Directors oversees the appropriate organization of the company's accounting and supervision of financial management. The Board of Directors has an Audit Committee and can establish also other permanent committees.

Under Kamux's Articles of Association, the Board of Directors shall comprise a minimum of four and a maximum of eight members, who shall be elected at a General Meeting. The term of all Board members expires at the end of the Annual General Meeting following their election.

Charter of the Board of Directors

The main duties of the Board of Directors are defined in the written Charter drafted by the Board. Under the Charter and the Finnish Limited Liability Companies Act, the duties of the Board of Directors include among others:

- > Preparing the Board of Directors' reports, financial statements and interim reports;
- > Ensuring the appropriate arrangement and control of accounts and finances;
- > Preparing proposals to be addressed in a General Meeting and convening a General Meeting;

- > Approving and adopting strategic guidelines and risk management principles;
- > Adopting annual budgets and action plans;
- > Appointing the CEO and deciding on the terms of his or her service;
- > Deciding on the company structure;
- > Deciding on major acquisitions and investments;
- > Deciding on other statutory matters that fall within the purview of the Board.

The Board of Directors conducts an annual self-evaluation of its operations and working methods. The self-evaluation was carried out also for 2018.

The Board of Directors convenes regularly ten times a year and arranges additional meetings if needed. The Board of Directors convenes for a strategy meeting at least once a year to approve the company's long-term strategic goals, amongst other things. The members of the Management Team who regularly attend Board meetings include the CEO and the CFO, who are not Board members. The Board of Directors constitutes a quorum when more than one-half of its members are present. The decisions of the Board require a simple majority. In case of a tie vote, the decision will be based on the opinion with which the Chairperson of the meeting concurs.

Diversity of the Board

Kamux's Board of Directors has adopted a diversity policy. 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 members as well as consideration for the age distribution.

A person elected as a member of the Kamux Corporation's Board of Directors must have qualifications required for the task and skills fitting the competence profile of Kamux's Board of Directors, as well as adequate availability for carrying out the duties of a Board member. When electing Board members, the goal is to ensure that the Board of Directors as a whole supports the development of Kamux Corporation's current and future business.

The Board of Directors in 2018

During 1 January-26 April 2018, members of the Board of Directors of Kamux were Matti Virtanen (Chairperson), Reija Laaksonen, David Nuutinen, Jokke Paananen, Harri Sivula and Vesa Uotila. In the Annual General Meeting held on 26 April 2018, Matti Virtanen, Reija Laaksonen, David Nuutinen, Jokke Paananen, Harri Sivula and Vesa Uotila were re-elected as members of the Board. The Annual General Meeting elected Matti Virtanen as Chairperson of the Board and Harri Sivula as Vice Chairperson of the Board.

In 2018, the Board of Directors focused particularly on Kamux's internationalization and growth.

In 2018, the Board of Directors convened 17 times in total, with an average attendance rate of 94 per cent. The members attended the meetings as follows: Matti Virtanen (17/17), Reija Laaksonen (17/17), David Nuutinen (17/17), Jokke Paananen (15/17), Harri Sivula (15/17) and Vesa Uotila (15/17).

The diversity goals defined in Kamux's diversity policy are evaluated to be adequately realized in 2018.

BOARD OF DIRECTORS ON 31 DECEMBER, 2018



MATTI VIRTANEN

b. 1958, M.Sc. (Tech.), Finnish national
Chairperson of the Board of Directors 2016–, mem-
ber of the Board of Directors 2016–
Independent of the company's significant share-
holders
Holdings on 31 December 2018: 135,610 shares

Key work experience:

- CEO and Managing Partner of Virtanen Consulting GmbH 2003–
- Group CEO of Norpe Oy 2010–2016
- CEO of Perlos Oy 2006–2008
- Vice President of Solectron Corporation and CEO of Solectron EMEA area 2004–2005
- Vice President of Hewlett-Packard & Compaq Computer 1990–2003
- Executive positions with Nokia 1984–1990

Positions of trust:

- Chairperson of the Board of Akaasia Invest AG 2010–
- Chairperson of the Board of Akaasia Oy 1993–
- Member of the Board of Sponstore Oy 2015–
- Chairperson of the Board of HopLop Holding Oy 2018–
- Chairperson of the Board of Roima Intelligence Oy 2019–



REIJA LAAKSONEN

b. 1973, M.Sc. (Econ.), Finnish national, member of
the Board of Directors 2017–
Independent of the company and the company's
significant shareholders
Holdings on 31 December, 2018: 4,348 shares

Key work experience:

- Director, Head of Branding and Digital Marketing Of Fazer Group 2018–
- Head of Digital at Fazer Confectionery 2015–2018
- Head of Marketing at Fazer Confectionery 2014–2015
- Vice President of Brand management, Marketing and Media at Fazer 2013–2014
- Director of Media Design at Fazer 2012–2013
- Media Director at Unilever Nordic in Stockholm 2009–2012
- Various positions at Unilever Nordic and Unilever Finland Oy 2000–2009

Positions of trust:

- Member of the Board of Media Audit Finland Oy 2013–2015
- Member of Advertisers association 2009– and Chairman of the sourcing committee of Advertisers association 2017–
- Vice Chairperson, Member of the Board of Directors of Marketing Executives Group 2018–
- Member of the Board of Directors of Stella Koti-palvelut Oy 2018–



DAVID NUUTINEN

b. 1959, M.Sc. (Econ.), Finnish national
Member of the Board of Directors 2012–, Chairper-
son of the Board of Directors 2012–2016
Independent of the company and of the company's
significant shareholders
Holdings on 31 December, 2018: 25,400 shares

Key work experience:

- CEO of DN Advisory Oy 2017–
- CEO of Cloetta AB (publ.) 2015–2016
- CEO of Cloetta Suomi Oy 2013–2015
- CEO of Leaf Suomi Oy 2005–2013
- Commercial Director of Leaf Suomi Oy 2003–2005
- Consultant of PepsiCo Beverages International 2003 and Franchise Director 2000–2002
- Operations Director of McDonald's Finland 1996–2000
- Various positions at Vaasa Mills Ltd/Cultor Group Finland 1986–1996

Positions of trust:

- Chairperson of the Board of Leader Foods Oy 2018–
- Member of the Board of EasySoda Finland Oy 2017–
- Member of the Board of Splizzeria Oy 2014–2015
- Member of the Board of DNA 2010–2012
- Chairperson of the Board of the Chocolate, Sugar, Confectionery and Biscuit Industries Association of the Finnish Food and Drink Industries Federation 2005–2012
- Member of the Board of Turun Vapaavarasto Oy 2005–2012
- member of commercial practise action group of the Finnish Association of Advertisers 2005–2009
- Member of the Board of Upo-kodinkoneet Oy 1998–2000



JOKKE PAANANEN

b. 1972, M.Sc. (Econ.), Finnish national
Member of the Board of Directors 2011–
Independent of the company
Holdings on 31 December, 2018: 0 shares

Key work experience:

- Partner and CEO Intera Partners Oy 2013–
- Investment Director of CVC Capital Partners 2005–2007, before that Assistant Director of Industri Kapital

Positions of trust:

- Member of the Board of Intera Partners Oy 2007–
- Member of the Board of Roima Intelligence Group Oy 2018–
- Chairperson of the Board of RGE Holding Oy, 2014–2015 and member of the Board 2015–2018
- Member of the Board of Evidensia Eläinlääkäri-palvelut Oy (formerly Animagi Oy) 2013–2015
- Member of the Board of Normek Group Oy 2008–2017
- Consti Yhtiöt Oyj:n hallituksen jäsen 2008–2009



HARRI SIVULA

b. 1962, M.Sc. (Admin.), Finnish national
Member of the Board of Directors 2017–
Independent of the company and the company's
significant shareholders
Holdings on 31 December, 2018: 35,000 shares

Key work experience:

- CEO of Tokmanni Group 2017–2018
- CEO of GS1 Finland Oy 2015–2017
- CEO of Restel Oy 2011–2014; Executive Vice Presi-
dent of Restel Oy 2010
- CEO of Onninen Oy 2006–2010
- Various management positions at Kesko Corpora-
tion 1987–2006

Positions of trust:

- Member of the Board of TylöHelo AB 2017–2018
- Chairperson of the Board of MyOpt Consulting Oy 2017–2018
- Member of the Board of GS1 Finland Oy 2016–
- Member of the Board of Makua Foods Oy 2016–
- Member of the Board of Dieta Group Oy 2016–
- Member of the Board of Leipurin Plc 2010–2013 and 2014–
- Member of the Board of Tokmanni Group Plc 2012– and Chairperson of the Board of Tokmanni Group Plc 2012–2018
- Member of the Board of Atria Plc 2009–



VESA UOTILA

b. 1982, M.Sc. (Econ.), Finnish national
Member of the Board of Directors 2016–, Deputy
member of the Board of Directors 2011–2016
Independent of the company
Holdings on 31 December, 2018: 0 shares

Key work experience:

- Partner of Intera Partners Oy 2015–, investment
professional 2010–
- Management Consultant at McKinsey & Company,
Inc 2008–2010

Positions of trust:

- Member of the Board of Normek Group Oy 2017–
- Member of the Board of Normek Kiinteistö Oy 2016–
- Member of the Board of KE Holding Oy 2014–
- Chairperson of the Board and CEO of Paulatum Oy 2010–
- Deputy member of the Board of Kreate Oy 2014
- Deputy member of the Board of Delete Group Oy 2012–2013
- Member of the Board of PHX Invest Oy 2006–2008
- Auditor of Studentwork Sharper Oy 2006–2008

Independence of the Board of Directors

According to the Corporate Governance Code, a majority of the Board members shall be independent of the company, with at least two of these members also being independent of the major shareholders of the company.

The Board of Directors shall assess annually the independence of its members in relation to the company and its major shareholders. In 2018, members of Kamux's Board of Directors were assessed to be independent of the company in accordance with the Finnish Corporate Governance Code for listed companies, except for Matti Virtanen and David Nuutinen, and independent of shareholders, except for Jokke Paananen and Vesa Uotila. Matti Virtanen holds a consultancy agreement with Kamux through his company Virtanen Consulting GmbH. David Nuutinen held a consultancy agreement through his company DN Advisory Oy until September 30, 2017. Jokke Paananen and Vesa Uotila are partners of Intera Partners Oy.

Audit Committee

The Board of Directors appoints an Audit Committee to assist it in the performance of its supervisory duties. The Board appoints from its members at least three members to the Committee. Members of the Audit Committee must have qualifications required for the task and shall be independent of the company, with at least one member being also independent of the major shareholders of the company.

The Board has defined the duties of the Audit Committee in its adopted Charter. In accordance with the Charter, the duties of the Audit Committee include assisting the Board in

ensuring appropriate supervision of the company's accounting and financial management, as well as ensuring that the company has an adequate internal control system in place covering all of its operations. Furthermore, the Audit Committee is responsible for monitoring that the company's operations and internal control are organized in compliance with laws, regulations and principles of good management and administration, and for supervising the implementation of internal audits.

The Audit Committee is responsible for:

- Monitoring the reporting process of financial statements and interim reports;
- Supervising the financial reporting process;
- Monitoring and evaluating the efficiency of internal control, internal auditing and risk management systems;
- Handling the descriptions of the main features of the internal control and risk management systems pertaining to the financial reporting process;
- Monitoring the statutory audit of the financial statements and consolidated financial statements, evaluating the resources and independence of the statutory auditor, and preparing a proposal for resolution on the election of the auditor;
- Reviewing the company's financial position and procurement processes;
- Evaluating compliance with laws, regulations and ethical principles;
- Monitoring the company's credit position and taxation;
- Reviewing the company's Corporate Governance Statement, and addressing and resolving any special issues raised by the Board of Directors that fall within the purview of the Audit Committee.

The Chairperson of the Audit Committee shall convene the Committee at least four times a year. The Audit Committee reports the decisions made in its meetings regularly to the Board.

Audit Committee in 2018

The Board of Directors of Kamux established an Audit Committee in the organizing meeting following the Annual General Meeting 26 April, 2018. The Board appointed from its members Harri Sivula (Chairperson), Reija Laaksonen and Vesa Uotila to the Committee. All members are independent of the company, with Harri Sivula and Reija Laaksonen being also independent of the company's major shareholders.

In 2018, the Audit Committee focused on interim reports, internal controls and risk management.

In 2018, the the Audit Committee established in April convened three times. The members attended the meetings as follows: Harri Sivula (3/3), Reija Laaksonen (3/3) and Vesa Uotila (3/3).

CEO

The CEO's task is to manage Kamux's operations in accordance with the instructions and rules given by the Board of Directors, as well as to report to the Board of Directors on the development of Kamux's business and financial situation. The CEO's duties include preparing matters to be decided by the Board of Directors, developing Kamux's operations together with the Board of Directors in accordance with the mutually set objectives, and ensuring the appropriate implementation of the decisions made by the Board of Directors. The CEO is also responsible for organizing Kamux's day-to-day governance and overseeing that the company's financial

management is organized in a reliable manner. In addition, the CEO ensures that Kamux complies with applicable laws and regulations. The CEO chairs the meetings of Kamux's Management Team. The CEO cannot be elected as Chairperson of the Board of Directors.

The Board of Directors appoints, and dismisses if needed, the CEO, and decides on the remuneration and other terms and conditions of the position of CEO. The CEO is appointed for the post until further notice. The financial benefits of the CEO are reported in the separate Remuneration Report of Kamux Corporation for 2018.

Juha Kalliokoski serves as the CEO of Kamux Corporation, appointed by Kamux's Board of Directors.

Management Team

The Management Team supports the CEO in implementing the company's strategy and manages Kamux's business operations as a whole. The members of Kamux's Management Team have specific authority in their individual areas of responsibility, and their duty is to develop Kamux's operations in line with the targets set by the company's Board of Directors and CEO. The Management Team convenes regularly each month or when necessary.

In 2018, the Management Team focused particularly on enabling the company's growth, building the skills of employees and improving the company's customer experience.

MANAGEMENT TEAM 31 DECEMBER, 2018



TERO TÖRMÄNEN

Kamux's Purchasing Director and Member of the Management Team 2017–
b. 1974, b. 1974, vocational Qualification in Business and Administration, Executive Development Program for Automotive Industry, Finnish national Holdings on 31 December, 2018: 52,174 shares

Key work experience:

- Sales Director of LänsiAuto 2016–2017
- Helsinki Area Region Manager of LänsiAuto 2014–2016
- Espoo Branch Manager of LänsiAuto 2009–2014
- Sales Manager of trade-in cars at AutoJalonen/LänsiAuto, Espoo 2004–2009
- Salesperson of trade-in cars at AutoJalonen/LänsiAuto, Espoo 1997–2004
- Employee at Törmänen Auto 1989–1997



TOMMI IISKONMÄKI

Kamux's Country Director Finland 18 June, 2018–, HR Director until 1 October, 2018 and Member of the Management Team 2015–
b. 1977, Officer from the Finnish National Defence University, Finnish national Holdings on 31 December, 2018: 37,947 shares

Key work experience:

- Director of Human Resources of CHS Group and Managing Director of Temprow Oy 2011–2015
- Assistant Chief of Department of the Army Academy of the Finnish Defence Forces 2010–2011
- Watchkeeper of the European Union Forces in Chad/CAR 2008–2009
- Cadet Course Director of the Army Academy of the Finnish Defence Forces 2008–2010
- Section Leader of the Army Academy of the Finnish Defence Forces 2003–2008
- Instructor officer at the Reserve Officer School of the Finnish Defence Forces 2001–2003
- Entrepreneur 1995–1997



SATU OTALA

Kamux's Director of Communications and Member of the Management Team 2015–
b. 1967, M.A., Finnish national Holdings on 31 December, 2018: 37,501 shares

Key work experience:

- Marketing Director of Suomen Terveystalo Oy 2009–2011
- Marketing Director of Fonecta Oy 2007–2009
- Marketing Manager of ISS Palvelut Oy 2003–2007
- Communications Consultant at Viestintä Oy Preemio 2002–2003
- Account Director and copywriter/journalist at OnePartner Oy advertising agency 2000–2002
- Training Manager and Deputy Head of Department at Adulta Oy 1992–2000

Positions of trust:

- Member of the Supervisory Board at Ilkka-Yhtymä Corporation 2010–
- Member of the Board of Teollisuuden Vesi 2016–2018



JUHA KALLIOKOSKI

Kamux's CEO and Member of the Management Team 2001–
b. 1970, police officer, degree in salesmanship training, Finnish national Holdings on 31 December, 2018: 5,807,357 shares

Key work experience:

- Local Director of Forssan Laatuauto 2000–2003
- Sales Manager and Partner of Skapat Oy 1999–
- Car Salesman and Sales Manager of Oy Autokuvio Ab 1994–1999
- Junior Constable of Forssa police district 1992–1994
- Representative of Edustusliike Juha Kalliokoski representative business and entrepreneur 1990–1991

Positions of trust:

- Member of the Board of Stofix Oy 2014–2019
- Member of the Board of Silmäasema Fennica Oy 2014–2017



TAPIO ARIMO

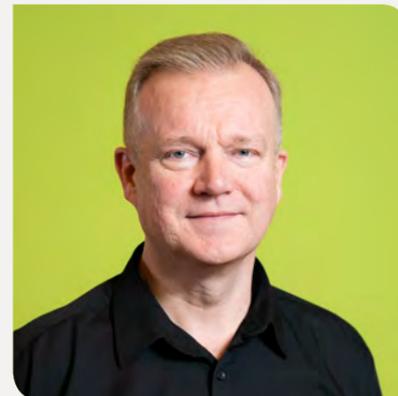
Kamux's CFO and Member of the Management Team 2015–26.4.2019 (Arimo announced in January 2019 that he is moving to new tasks outside of Kamux.)
b. 1972, M.Sc. (Econ.), MBA, Harvard Business School Program for Leadership Development, Finnish national Holdings on 31 December, 2018: 276,038 shares

Key work experience:

- Director of channel operations in the Microsoft Mobile Sales Operations department of Microsoft Corporation 2014–2015
- Finance Director in the Smart Devices unit of Microsoft Corporation / Nokia Corporation 2012–2014
- Finance Director in different units of Nokia Corporation 2005–2011
- Nokia Corporation Mobile Phones, Entry Business Line Business Controller 2004–2005
- Manager, Mergers and Acquisitions at Nokia Corporation 2000–2004
- Analyst at Goldman Sachs International Investment Banking Division 1997–2000

Positions of trust:

- Member of the Board of Blueberry Capital 2015–

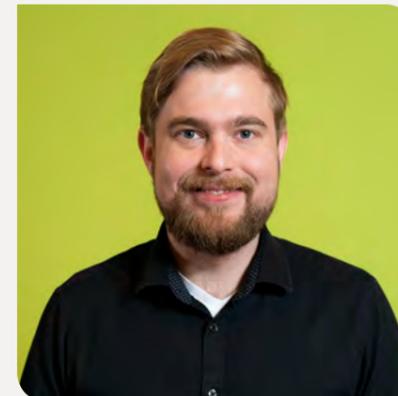


OLLI KILPI

Kamux's Director of International Business and Member of the Management Team 2017–
b. 1966, M.Sc. (Econ.), Finnish national Holdings on 31 December, 2018: 28,459 shares

Key work experience:

- CEO of Svenska McDonald's AB 2014–2016
- CEO of McDonald's Norge AS 2009–2013
- Marketing Director of Svenska McDonald's AB 2007–2009
- Director of Marketing and Communications at McDonald's Oy 2004–2007
- Nordic Marketing Director of Henkel Norden Laundry & Homecare Division 1998–2004
- Various positions at Procter & Gamble 1993–1998



MIKKO-HEIKKI INKEROINEN

Kamux's Chief Digital Officer and Member of the Management Team 24 February, 2018–
b. 1987 Master of Social Sciences, Finnish national Holdings on 31 December, 2018: 420 shares

Key work experience:

- Head of Digital Commerce of Power International (former AS Expert AS) 2015–2018
- Marketing & E-commerce Manager, Member of Company Steering Group of Expert ASA Oy, 2010–2015

Positions of trust:

- Member of the Board and Member of the Audit and Remuneration Committee of Marimekko 2015–
- Member of the Board of Suomen Kierrätysyhteisö Oy 2014–2015
- Member of the Board of Finnish Conscript Union 2008–2009
- Member of the Board of the Union of Finnish Upper Secondary School Students 2006–2007



JENNIE STENBOM

Kamux's Chief People Officer and Member of the Management Team 1 October, 2018–
b. 1975, Master of Science in Education, several Hanken & SSE Executive Education and London Business School management programs, Finnish national Holdings on 31.12.2018: 0 shares

Key work experience:

- Kesko Oyj Senior Vice President, People and Culture 2017–2018
- Kesko Oyj Vice President, HR and Communications 2014–2017
- Kesko Oyj Corporate HR Manager 2011–2013, Development Manager 2008–2010
- Orion Oyj HRD and talent management lead, HR business partner 2006–2008
- Orion Oyj HR ERP Program lead 2003–2006
- Orion Oyj Senior HR Specialist 2002–2003, HR Specialist 2001–2002
- University of Turku, Centre for Extension Studies Education Coordinator 1999–2001



ILKKA VIRTANEN

Kamux's Director of Business Development and Member of the Management Team 1 November, 2018–
b. 1980, M.Sc. (Econ.), Finnish national Holdings on 31 December, 2018: 1,000 shares

Key work experience:

- Santander Consumer Finance Oy, Commercial Director of Auto Finance 2017–2018
- Veho Oy Ab, Director of Business Development & Financing 2015–2017
- Veho Group Oy Ab, Director of After Sales and Financing 2012–2015
- Veho Autotalot Oy, Manager of Development and Financing 2010–2012
- Compass Management Partners Oy, Management Consultant, Project Manager 2008–2010
- Accenture Oy, Consultant, Management Accounting (SAP) 2006–2008

Main principles of risk management

The aim of risk management is to ensure the keeping of customer promises, profit development, the ability to pay dividends, shareholder value, responsible operating practices and the continuity of business. Kamux has harmonized and efficient methods to identify, assess and manage risks and their consequences.

Kamux complies with the internal control and risk management principles approved by the company's Board of Directors. Risk management is a systematic activity, the purpose of which is to guarantee comprehensive and appropriate identification, assessment, management and monitoring of risks. It is an essential part of Kamux's planning and management process, decision-making, day-to-day management, operations, and supervision and reporting procedures. Risks are assessed and managed comprehensively from the perspective of potential business impacts.

The Group CEO and other members of the Management Team are each responsible for their own areas. The Management Team regularly reports to the Board of Directors on risks and risk management measures. The Board of Directors addresses the most significant risks and measures to manage them, and assesses the efficiency and effectiveness of risk management. The CFO is responsible for coordinating risk management.

Kamux has documented its common operating principles in the company's Code of Conduct. The Code of Conduct is part of risk management. Kamux also has a separate guideline for its partners.

Internal control and auditing

The objective of internal control at Kamux is to ensure the efficiency and profitability of business operations, the reliability of financial reporting, compliance with laws and regulations applicable to the company's business, and compliance with the company's internal instructions. The specific objective of the internal control of financial reporting is to ensure that interim reports, half-year reports, financial statement bulletins and other financial reporting as well as financial statements and annual reports are reliable and are prepared in accordance with the accounting and reporting principles adopted by the company.

The company's Board of Directors is responsible, in accordance with its Charter, for monitoring the process of financial reporting and the effectiveness of the company's internal control and risk management system. The CEO is responsible for the practical organization of internal controls. This includes ensuring that the company has implemented adequate internal control mechanisms as stipulated in the guidelines defined by the Board of Directors.

The CEO, supported by the Management Team, is responsible for ensuring that the Group's day-to-day operations comply with the agreed principles and applicable laws and regulations, and that identified non-compliance incidents and deficiencies are addressed and that adequate corrective measures are taken.

In 2018, the development of internal control focused on automating internal controls as part of Kamux's systems and developing business processes and related controls in Germany.

Kamux's Board of Directors has assessed that due to the nature of the company's operations, the number of employees and geographical scope, it is not necessary to organize internal auditing as a separate function. The Board of Directors shall evaluate on a yearly basis whether such function should be established. The company's Board of Directors may use either internal or external resources to carry out specific internal audit assignments.

Audit

The statutory audit covers the company's accounting, financial statements and administration for the financial year. The auditor of the parent company shall also audit the consolidated financial statements. The auditor provides the company's shareholders with a statutory auditor's report in connection with the company's annual financial statements and regularly reports their auditing observations to the Board of Directors. Kamux's financial year is the calendar year.

According to the company's Articles of Association, the company's auditor shall be an auditing organization approved by the Central Chamber of Commerce. The auditor is elected at the Annual General Meeting of shareholders for a term that ends at the conclusion of the Annual General Meeting following the election.

Audit in 2018

The Annual General Meeting re-elected PricewaterhouseCoopers Oy as the auditor, with CPA Janne Rajalah-ti as the principal auditor announced by PricewaterhouseCoopers Oy. PricewaterhouseCoopers Oy has acted as the auditor of Kamux since 2015.

The auditor is paid a fee according to an invoice approved by the company. In 2018, the auditors were paid a total of EUR 177,000 for auditing services and a total of EUR 400,000 for other advisory services unrelated to auditing. Other services are primarily related to financial advisory services in different situations, including tax advisory and financial analysis related to strategic projects.

Insider management

Kamux Corporation observes the guidelines for insiders approved by the Board of Directors, which is based on the Market Abuse Regulation, the Guidelines for Insiders of Nasdaq Helsinki Ltd, and other applicable rules and regulations.

The CFO is responsible for insider matters at Kamux Corporation. The company compiles a list of permanent insiders and also maintains a list of project- or event-specific insiders as needed. The insider lists are maintained in the SIRE service of Euroclear Finland Ltd.

People in management positions at Kamux and their immediate circle are required to declare their business transactions in shares of Kamux Corporation or other financial instruments based on them. People in management positions at Kamux and possible permanent insiders defined by Kamux may not, on their own account or on the account of a third party, carry out business transactions in the shares of Kamux Corporation or other financial instruments based on them during the silent period. The silent period begins 30 days before the publication day of the Kamux financial statement bulletin, half-year report, interim report or

preliminary information thereof, including the publication day.

Kamux has an internet-based reporting channel that enables anonymous reporting of suspected infringement of rules and regulations concerning financial markets.

REMUNERATION REPORT 2018

Kamux Corporation's ("The Company" or "Kamux") Remuneration Report 2018 complies with the Finnish Corporate Governance Code for Listed Companies (2015).

The objective of remuneration at Kamux is to promote the company's competitiveness and long-term success. The objective of remuneration programs is to encourage key employees and the entire personnel to commit to sustained work towards reaching their personal and shared goals and to create shareholder value.

Remuneration of the Board of Directors

Kamux Corporation's Annual General Meeting annually decides on remuneration paid to the Board of Directors and the principles for the compensation of expenses based on a proposal made by the major shareholders.

Remuneration for members of Kamux's Board of Directors and its committees is monetary. Board members are not compensated separately for Board or committee meetings. Travel expenses resulting from Board meetings will be compensated against reasonable invoices. Remuneration for the company's Board members does not include pension payments.

Members of the Board of Directors are not included in Kamux's short- or long-term incentive programs.

Remuneration of the CEO and Management Team

The company's Board of Directors decides on the remuneration of the CEO

and members of the Management Team and the terms of the remuneration. The remuneration of Kamux's CEO and members of the Management Team consists of an annual salary, a bonus and a share-based incentive scheme. The terms of the bonus are decided by the company's Board of Directors each year. The objective of the bonus- and share-based incentive scheme is to support the realization of the company's short- and long-term objectives and to ensure that management is committed to the company.

The bonuses of Kamux's CEO and Management Team are based on personal targets and certain profitability targets set for the financial year. The share of the result-based remuneration can be up to 40 percent of the fixed salary for the CEO and other Management Team members for 2018. The Board of Directors monitors the realization of the targets of the bonus scheme regularly.

The CEO and other members of the Management Team are entitled to a mobile phone benefit. Other members than the CEO are entitled to a car benefit. One of the Management Team members has an internet connection benefit.

CEO's and Management Team's terms of service

Kamux's CEO Juha Kalliokoski is entitled to a statutory pension. The CEO's retirement age is determined by the statutory pension system and is 63 years under the applicable legislation. The CEO's period of notice determined

by the CEO contract is six months, with a right to receive salary during the notice period. If the company terminates the contract of employment, the CEO is, under certain conditions, entitled to a severance payment corresponding to 12 months' full salary.

The notice period of other Management Team members is three months excluding one member of the Management Team whose notice period is six months. The members of the Management Team are entitled to salary during their notice period. The retirement age of the members of the Management Team is determined by the statutory pension system and is 63 years under the applicable legislation.

Share-based incentive programs

On April 27, 2017, Kamux's Board of Directors decided to establish a share-based incentive program for Kamux's key personnel. The objective of the share-based incentive program is to align the targets of shareholders and key personnel in order to increase the long-term value of Kamux as well as to strengthen the commitment of key personnel to Kamux and offer them a competitive incentive program based on earning and accruing of shares in the company.

As part of a share-based incentive program, on December 13, 2017, the Board of Directors of Kamux Corporation approved the detailed terms and conditions of the share-based incentive plan for the Group's key personnel for 2018. The earnings period for the share-based incentive plan is the

2018 calendar year. The amount of any gross reward paid pursuant to the plan for the earnings period will be determined by the achievement of goals set as the earnings criteria. According to the decision by the Board of Directors, the earnings criterion applicable for the 2018 earnings period is achieving the EBIT target for 2018 set by the Board of Directors.

If the maximum target level set for the earnings criterion is achieved, the total amount of rewards paid under the 2018 share-based remuneration plan would be up to approximately EUR 1.0 million (gross), which is estimated to correspond to up to approximately 150,000 Kamux shares, calculated on the basis of the average price of the Kamux share in November 2017.

The reward is paid partly in cash, and partly in shares. The cash part is intended for covering the taxes resulting from the reward. Rewards will be paid after the end of the earnings period, by the end of May 2019. If a key person's employment or service relationship ends before the payment of the reward, no reward will normally be paid.

The Board of Directors selected approximately 20 key employees as eligible to participate in the incentive plan. According to the terms and conditions of the share-based incentive program, the Board of Directors may decide to accept new participants in the scheme during the earnings period. During 2018, two new employees were accepted into the share-based incentive program.

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 December 31, 2020. A member of the Group's Management Team shall own at least half of the net shares received as a reward based on the plan until their shareholding in the company corresponds to the value of their annual salary (ownership obligation). The ownership obligation remains valid as long as the person remains a member of the Group's Management Team.

The issuance of shares in accordance with the terms and conditions of the share-based incentive program is based on the authorization given to the Board of Directors of Kamux on April 12, 2017 by the shareholders of the company by a unanimous decision. The Board of Directors of Kamux is authorized to decide on issuing up to 300,000 new and/or existing shares to reward Kamux's key personnel in accordance with the share-based incentive program.

The intention is to extend the

sharebased incentive program with corresponding new earnings periods beginning annually at the discretion of the Board of Directors. In January 2019, Kamux announced the detailed terms of the share-based incentive program for 2019. The terms of the program correspond to those of the 2018 program.

Remuneration Report 2018 Remuneration of the Board of Directors in 2018

By unanimous decision made by the shareholders on April 26, 2018, it was decided that the Chairperson of the Board of Directors will be paid EUR 3,000 monthly and the members of the Board EUR 1,700 monthly. In addition, committee members will be paid EUR 1,500 annually. Travel expenses are paid according to the company's travel policy.

During the financial year that ended on December 31, 2018, the members of the Board of Directors were paid the following remuneration:

| EUR | Monthly remuneration | Committee membership | Total |
|-----------------|----------------------|----------------------|----------------|
| Matti Virtanen | 36,000 | | 36,000 |
| Reija Laaksonen | 20,267 | 1,500 | 21,767 |
| David Nuutinen | 20,267 | | 20,267 |
| Jokke Paananen | 20,267 | | 20,267 |
| Harri Sivula | 20,267 | 1,500 | 21,767 |
| Vesa Uotila | 20,267 | 1,500 | 21,767 |
| Total | 137,333 | 4,500 | 141,844 |

REMUNERATION STATEMENT 2018

Kamux and Virtanen Consulting GmbH (consultancy firm under Chairperson of the Board Matti Virtanen's authority) signed a consultancy agreement on February 1, 2016, under which Virtanen Consulting GmbH will be paid a separate contractual fee of EUR 9,000 per month for consultancy services related to Kamux's internationalization. In addition to the remuneration for Board membership described above, Kamux paid Matti Virtanen EUR 108,000 in 2018 based on the consultancy agreement.

Kamux and DN Advisory Oy (consultancy firm under Board member David Nuutinen's authority) signed a consultancy agreement on January 5, 2017, which ended on September 30, 2017. Nuutinen did not receive remuneration

win 2018 based on the consultancy agreement.

A total of EUR 108,667 was paid to the Board of Directors of Kamux as rewards for the accounting period ending on December 31, 2017. In addition, Matti Virtanen and David Nuutinen were paid a total of EUR 256,077 as consultancy fees and bonuses.

Remuneration of the CEO and Management Team members in 2018

The fixed salary of CEO Juha Kalliokoski, including benefits, totaled EUR 220,740 in 2018. Pension costs totaled EUR 59,898 and in addition, a total of EUR 18,546 was paid as a bonus, based on the targets set for 2017.

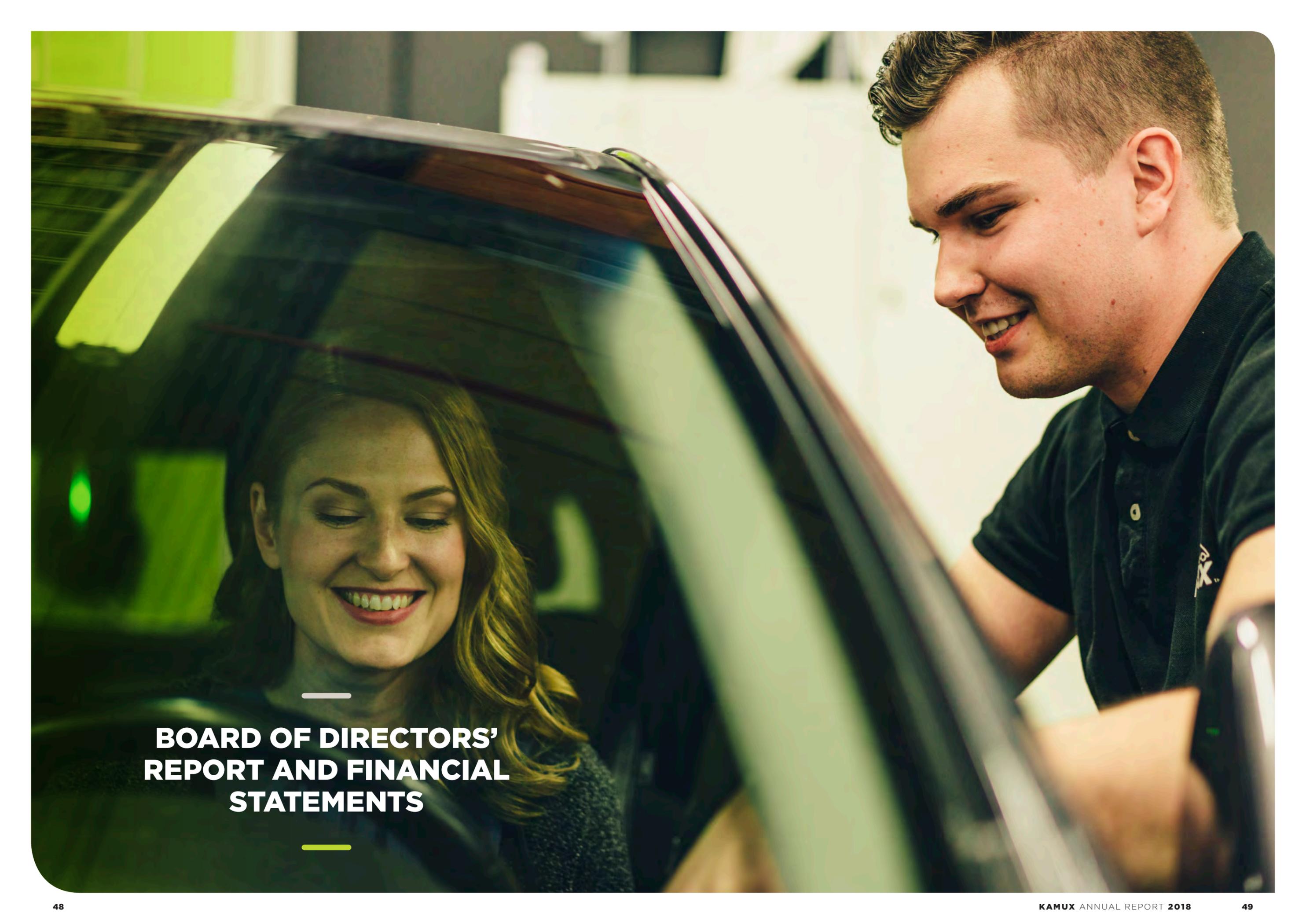
During the financial year that ended on December 31, 2018, the CEO was paid the following remuneration:

| EUR | 2018 | 2017 |
|--|----------------|----------------|
| Salary, including benefits | 220,740 | 220,740 |
| Pension costs (defined contribution plans) | 59,898 | 58,090 |
| Bonuses | 18,546 | 11,324 |
| Total | 299,184 | 290,154 |

During the financial year that ended on December 31, 2018, other members of the Management Team were paid the following remuneration:

| EUR | 2018 | 2017 |
|--|------------------|----------------|
| Salary, including benefits | 887,011 | 721,656 |
| Pension costs (defined contribution plans) | 235,030 | 191,451 |
| Bonuses | 53,341 | 45,978 |
| Total | 1,175,382 | 959,085 |

In 2018, members of the Board of Directors of Kamux were Tapio Arimo, Tommi Iiskonmäki, Mikko-Heikki Inkeroinen (from February 24, 2018), Olli Kilpi, Jussi Mäkinen (until June 17, 2018), Satu Ojala, Jennie Stenbom (from October 1, 2018), Tero Törmänen and Ilkka Virtanen (from October 29, 2018). The figures in the table are rounded.



**BOARD OF DIRECTORS'
REPORT AND FINANCIAL
STATEMENTS**

CONTENTS

| | | | |
|--|-----------|---|------------|
| REPORT BY THE BOARD OF DIRECTORS 2018 | 52 | NET DEBT AND CONTINGENCIES | 89 |
| Shares and share ownership | 59 | 4.1 Capital management and net debt | 90 |
| Key performance measures | 61 | 4.2 Finance expenses | 93 |
| Calculation of key figures and alternative performance measures | 63 | 4.3 Lease obligations and commitments | 94 |
| FINANCIAL STATEMENTS 2018 | | OTHER NOTES | 95 |
| PRIMARY STATEMENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS | 67 | 5.1 Group structure and consolidation | 96 |
| Consolidated statement of comprehensive income | 68 | 5.2 Intangible assets and property, plant and equipment | 97 |
| Consolidated balance sheet | 69 | 5.3 Related party transactions | 99 |
| Consolidated statement of changes in equity | 70 | 5.4 Share capital and reserves | 102 |
| Consolidated statement of cash flows | 71 | 5.5 Deferred taxes | 103 |
| BASIS OF PREPARATION AND INFORMATION ON KAMUX | 72 | 5.6 Events after the reporting date | 104 |
| 1.1 Basis of preparation | 73 | 5.7 New and forthcoming IFRS standards | 105 |
| 1.2 Short presentation of Kamux | 74 | PARENT COMPANY FINANCIAL STATEMENTS | 107 |
| KEY PERFORMANCE METRICS OF KAMUX GROUP | 75 | Parent company income statement (FAS) | 108 |
| 2.1 Results by segment | 76 | Parent company balance sheet (FAS) | 109 |
| 2.2 Revenue | 78 | Parent company cash flow statement (FAS) | 111 |
| 2.3 Repair Costs | 80 | Notes to the parent company's financial statements | 113 |
| 2.4 Expenses | 81 | SIGNATURES FOR THE REPORT BY THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS | 118 |
| 2.5 Income taxes | 83 | AUDITOR'S REPORT | 119 |
| 2.6 Earnings per share | 84 | | |
| NET WORKING CAPITAL | 85 | | |
| 3.1 Inventory | 86 | | |
| 3.2 Trade and other receivables | 87 | | |
| 3.3 Trade and other payables | 88 | | |

REPORT BY THE BOARD OF DIRECTORS 2018

KAMUX'S OPERATING ENVIRONMENT

Kamux is a retail chain specialising in used car sales. Kamux had 44 car showrooms in Finland, 13 in Sweden and 4 in Germany as of December 31, 2018.

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

In 2018, market situations in Kamux's operating countries were similar. In Finland, the year was another challenging one for car sales. The year was characterized by public debates on car emissions and fuel types. The new WLTP based emissions measurement, which came into effect in the beginning of July, negatively impacted the sales of new cars and to some extent also the used car market was affected as a consequence. The end of the year was especially difficult for car sales in general, as consumers postponed their purchases due to the uncertainty related to choosing the fuel type. Also, the politicians campaigned at year-end at the cost of car sales by painting unrealistic scenarios of diesel and gasoline powered cars driving and sales restrictions and electrification of the car parc. Overall, we estimate the used car market declined slightly in Finland in 2018. According to our estimate Kamux's market share of the used car market in Finland was around 8 %.

In Sweden the used car market decreased clearly in 2018, but it was compensated in part by strong export sales of used cars made possible by the relatively weak Swedish krona compared to the euro. The Swedish vehicle tax changed in the beginning of July to be more emission based. It resulted in strong sales in the first half of the year, especially of higher emission cars. The second half of the year was clearly weaker in both new and used car sales. Kamux's market share in Sweden was around half a per cent.

According to our estimates the used car market in Germany declined slightly during 2018. Diesel emissions were discussed in the public and a few cities restricted the use of older emission class diesel cars in

the city centers. Diesel fueled cars share of new vehicles declined clearly in 2018, whereas gasoline, hybrid and electric cars shares increased. In Germany, the proportion of diesel cars in 2018 was over 33% of all passenger cars, or about 15 million cars. The number of vehicles powered by other power sources than gasoline or diesel was around 2% in 2018.

GROUP REVENUE AND PROFIT IN 2018

Revenue increased by 16.0% compared to the previous year and amounted to EUR 527.8 million (1-12/2017: 454.9). The increase in revenue was driven by the opening of new showrooms, expansions of existing showrooms and sales growth of like-for-like showrooms. The growth was fully organic. The number of cars sold by Kamux in Finland, Sweden and Germany amounted to 46,596 (40,957). In connection with the sale of used cars Kamux offers its customers commission-based services such as insurance and financing services, and a liability extension, Kamux Plus, that supplements the seller's statutory liability. Kamux's integrated services revenue was EUR 27.1 million (22.8).

The adjusted operating profit increased by 17.5% and amounted to EUR 21.9 million (18.6), or 4.1% (4.1) of revenue. The adjustment items to the operating profit totaled EUR 3.0 million (2.4) for 2018. The adjustment items include expenses of EUR 2.5 million related to taxes from previous financial years, EUR 0.4 million in expenses related to strategic analyses and EUR 0.1 million in expenses related to geographical expansion. In the comparison period, the adjustments also included the costs related to Kamux's initial public offering, amounting to EUR 1.2 million.

Kamux's operating profit increased by 16.5% as compared to the previous year, amounting to EUR 18.9 million (16.2).

Net financial items were EUR 0.4 million (-0.8).

The result before taxes amounted to EUR 19.4 million (15.5). Taxes amounted to EUR 4.7 million (3.8). The effective tax rate for the financial year is 24% (24%). Profit for the period amounted to EUR 14.6 million (11.7).

The basic earnings per share amounted to EUR 0.37 (0.30).

SEGMENTS

Finland 2018

Revenue increased by 12.6% compared to the previ-

ous year, amounting to EUR 419.1 million (372.4). The number of cars sold during 2018 increased by 3,869, or 11.3% compared to the previous year, amounting to 38,217 (34,348). The growth was based on the sales of new showrooms and on the sales growth of like-for-like showrooms. Integrated services revenue increased to EUR 24.0 million (20.6) during 2017, or 5.7% of revenue (5.5). Operating profit increased by 4.6% compared to the previous year, amounting to EUR 24.1 million (23.1), or 5.8% of the revenue (6.2).

During 2018, Kamux opened 3 new showrooms in Finland: Savonlinna in March, Lempäälä Ideapark in July and Järvenpää in November.

Sweden 2018

Revenue increased by 39.3% compared to the previous year, amounting to EUR 101.9 million (73.2). The number of cars sold during 2018 increased by 1,349 or 28.2%, and amounted to 6,133 (4,784). The growth was driven by the sales of new showrooms and expansions of existing showrooms as well as the sales growth of like-for-like showrooms.

Integrated services revenue increased to EUR 2.3 million (1.8), or 2.8% (3.0) of the external revenue. Operating income turned positive compared to the previous year, amounting to EUR 0.9 million (-0.1).

In June 2018, Kamux opened a new showroom in Linköping, in September in Västerås and in December in Varberg. In addition, the Uppsala showroom moved to new, bigger premises in December. The planned Gothenburg showroom opening has been delayed due to zoning problems.

Germany 2018

Revenue increased by 31.8% compared to the previous year, amounting to EUR 30.1 million (22.8). The number of cars sold during 2018 increased by 421 or 23.1% compared to the previous year, amounting to 2,246 (1,825). The growth was mainly due to fine-tuning the operating model in existing showrooms.

Integrated services revenue increased to EUR 0.8 million (0.5), or 2.6% (2.2) of the external revenue. Operating loss of Germany segment decreased compared to the previous year, amounting to EUR -1.8 million (-1.9).

In November 2018, Kamux opened a new showroom in Ahrensburg and in December in Wentorf.

CONSOLIDATED BALANCE SHEET AND FINANCIAL POSITION

The group's consolidated balance sheet total amounted to EUR 115.0 million as of December 31, 2018 (103.0), of which total equity amounted to EUR 68.9 million (58.9). The amount of net debt was EUR 9.6

million (7.3). Non-current bank loans amounted to EUR 19.4 million (22.4). The balance sheet of the company is strong, allowing business growth in line with our strategy.

Kamux has entered into a five-year loan facility agreement of EUR 50 million with Nordea Bank AB (publ), Finnish Branch. At the end of the reporting period, EUR 22.4 million of this agreement was in use. The facility agreement includes a five-year term loan of EUR 30 million and a revolving credit facility of EUR 20 million. Of the revolving credit facility, EUR 10.0 million is available as a multi-currency facility. The term loan of EUR 30 million is currently repaid in bi-annual installments of EUR 1.5 million. In addition to the revolving facility, Kamux has a lease guarantee facility of EUR 0.4 million.

Net working capital amounted to EUR 61.2 million as of December 31, 2018 (49.5). Value of inventory amounted to EUR 71.0 million (55.2).

Kamux's cash flow from operating activities during year 2018 amounted to EUR 2.7 million (6.5). Cash and cash equivalents at the end of the period amounted to EUR 12.8 million (18.1).

Equity ratio at the end of the year 2018 was 60.0% (57.2). Return on capital employed was 16.2% (17.2) and return on equity was 22.9% (26.6).

CAPITAL EXPENDITURE, RESEARCH AND DEVELOPMENT

Kamux's capital expenditure for 2018 amounted to EUR 1.3 million (1.2), consisting mainly of IT systems and ordinary maintenance in the showrooms. Kamux's research and development costs are mainly related to further development of the company's retail concept and improving its business processes.

During 2018, Kamux invested in matters related to the opening of new showrooms, such as refurbishments, equipment and fixtures, as well as in digitalization projects, such as CRM/ERP systems, analytics, data management and financial administration systems. The company financed these investments with the existing cash and cash equivalents, and cash flow from operations.

BOARD OF DIRECTORS

Kamux's Board of Directors consisted of the following members at the beginning of 2018: Matti Virtanen, Reija Laaksonen, David Nuutinen, Jokke Paananen, Harri Sivula and Vesa Uotila.

No changes were made to the Board of Directors during 2018.

MANAGEMENT TEAM

Kamux Management Team consisted of the follow-

BOARD OF DIRECTORS' REPORT

ing members in the beginning of 2018: CEO Juha Kalliokoski, CFO Tapio Arimo, Director of International Business Olli Kilpi, Finland Country Director Jussi Mäkinen, Purchasing Director Tero Törmänen, HR Director Tommi Iiskonmäki, and Communications and Marketing Director Satu Ojala.

On June 18, 2018 Tommi Iiskonmäki was nominated as Finland Country Director. Jussi Mäkinen started as Recruitment and Training Manager and left the Kamux Management Team. New members who joined the Kamux Management Team in 2018 were Chief Digital Officer (CDO) Mikko-Heikki Inkeroinen, on February 24, 2018, Chief People Officer (CPO) Jennie Stenbom, who started on October 1, 2018, and Business Development Director Ilkka Virtanen, who started on October 29, 2018.

PERSONNEL

Kamux's number of employees on December 31, 2018 was 767 (597), including all active full-time and part-time employees. The number of personnel in the Group converted to full-time equivalent (FTE) employees was 472 (418). The Group's total number of personnel grew by 54 FTEs during the year. The growth in the number of personnel is due to the opening of new showrooms in Finland, Sweden and Germany, as well as the increase of staff in existing showrooms and head-office.

| | 2018 | 2017 |
|----------------------------------|------|------|
| Employees December 31 | 767 | 597 |
| FTE employees on average | 472 | 418 |
| Wages and salaries (EUR million) | 21.8 | 17.6 |

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

| | 2018 | 2017 |
|---------|------|------|
| Finland | 362 | 334 |
| Sweden | 80 | 59 |
| Germany | 30 | 26 |

During 2018, introduction and additional training was given especially for employees in the customer interface in all countries.

STATEMENT OF NON-FINANCIAL INFORMATION

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 used car market is large and fragmented, which combined with the company's business model offers attractive growth potential. At the core of Kamux's growth strategy are continuous profitable growth, improving profitability, excellent customer experience and skilled personnel.

Kamux's strong and profitable growth enables value creation for different stakeholders and for society as a whole. Promoting mobility and renewing Finland's car parc are examples of the impact Kamux has on society. Economic and social impacts are seen, for example, in tax payments and employment around Finland. Kamux aims to distribute at least 30 percent of the profit for the financial year as dividends.

Our ways of working

Responsibility and ethically sustainable ways of working are central for the company's business, its development and the relations between Kamux and its stakeholders. Responsibility, ethics, honesty and equality are a part of Kamux employees' everyday actions.

The company's operations, management and governance are based on the Kamux Code of Conduct, good corporate governance and careful compliance with the laws, rules and regulations in force in all its operating countries. Taxes and other payments are carried out in accordance with local legislation.

Kamux's material responsibility themes include the Code of Conduct, fair and rewarding employer, excellent customer experience, profitable growth, and reasonable use of resources. Kamux reports on corporate responsibility in accordance with the legislation concerning non-financial reporting. In addition, Kamux's annual report includes information about corporate responsibility matters.

Code of Conduct

Kamux wants to be a car retail forerunner in building a culture of trust and openness. The company develops internal processes so that the Code of Conduct is realized every day.

Kamux has compiled the company's shared operating principles in a Code of Conduct. Kamux's Code of Conduct guides all the company's operations and it is used in all markets the company operates in. New sales personnel receive thorough training on the ways of working outlined in the Code of Conduct. The ways of working established in the Code of Conduct are addressed regularly in trainings for Kamux's personnel.

The Code of Conduct addresses the following areas:

- being fair and equal at the workplace
- considerate and thoughtful communication
- doing honest business
- being independent and not tolerating corruption
- looking after Kamux's property
- avoiding conflicts of interest
- taking care of employees and the environment

Kamux also expects all suppliers of cars, services and goods to comply with the Code of Conduct. The principles have been included in the company's procurement guidelines defined in 2017.

Environmental matters

Kamux seeks to actively manage the impact its operations have on the environment. Kamux's environmental impact consists mainly of transfers of cars and people between car showrooms and the consequent car fuel consumption as well as car repair and maintenance activities.

Kamux aims to optimize car transfers through the selection of routes and transfer methods. In order to minimize the impact, the cars to be transferred will be fueled with only the necessary amount of fuel. Car wash, maintenance and repairs are carried out by national and local partners. Kamux uses recycled spare parts, when possible. Kamux's partners are expected to recycle waste, such as batteries, tires and hazardous waste, in an appropriate manner.

Emissions from showrooms result mostly from lighting and heating. Kamux aims to maintain energy consumption at a reasonable level while taking into account safety aspects in its showrooms. In addition, Kamux aims to minimize the waste resulting from its operations.

Kamux's ability to influence the climate impact of the cars it sells is limited and measuring it is challenging. Most of the climate impacts of the cars sold by Kamux are created during their manufacturing and use. The average CO₂ emissions of the cars sold by Kamux were 158 g/km in 2018 and 166 g/km in 2017.

The company renews Finland's car parc by importing cars with lower emissions and newer used cars than are currently used on Finnish roads on average. In 2018, the average age of a car imported by Kamux was 3.9 years.

Social and personnel matters

Personnel development and well-being

Enthusiastic, committed and skilled personnel form the foundation of Kamux's operations. A committed and motivated personnel is the key to success in the competitive car retail industry. In fall 2018,

Kamux's values were clarified based on a value process carried out together with employees. Kamux's values are teamwork, joy and drive, freedom and accountability, happy customers, profitable business and responsibility.

Kamux is a fair workplace that makes systematic investments in the well-being, training and safety of its personnel. Kamux wants to offer its employees the possibility to do their best, grow and develop further in their careers. Employee commitment is supported by offering career development possibilities, training and a motivating compensation model.

Kamux's success is based on the implementation of the company's business model and concept in all situations. In 2018, Kamux invested particularly in training in all its operating countries. At the start of the year, a training center for sales personnel in Finland was opened in Hämeenlinna. The trainings focused on training sales personnel on the operating model based on Kamux's concept. The number of training days totaled 2,070 in 2018 on Group level.

Personnel well-being and safety are key areas of development. One crucial factor increasing personnel well-being is good managerial work. In 2018, sales managers in Finland have received training in managerial work. During the year, several work well-being and recreational activities have been carried out in different groups. The top accomplishments of 2018 were rewarded at the Kamux Gala in January 2019. The event was also a reward for the entire personnel, in addition to creating team spirit. Regular personnel trainings are also an important factor in improving work well-being. Regular health and safety inspections are the foundation for improving occupational safety and identifying material development areas. Competence in occupational health and safety has been expanded with the appointment of one new person in this area. The occupational accident rate is monitored regularly by the Management Team. In 2018, the sickness absence rate of Kamux's employees was 1, representing an average of 2.4 annual absence days per person.

Kamux regularly carries out work satisfaction surveys. The next work satisfaction survey will be carried out in early 2019.

Excellent customer experience

Offering an excellent customer experience is a part of Kamux's social responsibility. Kamux wants to meet customer expectations through open and honest communication based on accurate information. Kamux actively monitors customer satisfaction and customers' experiences on the customer promise. Kamux also finds it important that possible claims are

BOARD OF DIRECTORS' REPORT

handled in the right way, openly and within a schedule that is fair for all parties, as well as in accordance with Kamux's internal guidelines.

6,081 customers (4,702) customers took part in Kamux's customer satisfaction survey in 2018. According to the survey results, customers are ready to recommend Kamux to their friends with a grade of 4.2/5 (4.3/5). The recommendation willingness remained on a good level.

Diversity, equality and non-discrimination

Kamux is an equal employer that respects employees' privacy, freedom of religion, freedom of association and freedom to organize professionally. Kamux does not tolerate any kind of bullying, harassment, abuse or discrimination towards colleagues, customers or partners.

Kamux's Board of Directors has approved a diversity policy. The policy aims at balanced gender diversity when electing members of the Board of Directors and for the members' competence and experience in different business areas to complement each other and cover the company's central 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 of Kamux's diversity policy have been assessed as adequately realized in 2018.

Human rights and preventing corruption and bribery

Kamux acts in accordance with the United Nations' Universal Declaration of Human Rights as well as the employees' rights defined by the International Labor Organization (ILO). Kamux does not tolerate human rights violations in any form.

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.

The company has zero tolerance for corruption and bribery. Identifying and evaluating risks related to corruption and bribery are a part of Kamux's general risk assessment. The awareness and readiness of personnel are developed through trainings and internal guidelines. The company has a whistleblowing channel for Kamux's employees to report acts violating Kamux's Code of Conduct, misconduct or suspicions of violations. Kamux's management did not receive any reports of unethical activities through the whistleblowing channel or other channels in 2018.

RISK MANAGEMENT

The aim of risk management is to ensure the

keeping of customer promises, profit development, the ability to pay dividends, shareholder value, responsible operating practices and the continuity of business. Kamux has harmonized and efficient methods to identify, assess and manage risks and their consequences. Kamux complies with the internal control and risk management principles approved by the company's Board of Directors.

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

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

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

Kamux considers its most significant risks to be:

Economic risks and general competitive situation

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

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

Changes or expected changes in car taxes also affect the demand for used cars, especially in Finland, where car taxes form a significant part of the car's price. Political debate or political decisions about possible emission limitations and bans, car- or fuel taxes and increased safety requirements may, if implemented, affect the development of the used car market.

Reputation risk

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

Personnel risk

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

Failures in IT systems and processing of customer confidential information

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

DECISIONS OF THE ANNUAL GENERAL MEETING AND AUTHORIZATIONS

Kamux Corporation's Annual General Meeting was held on Thursday, April 26, 2018. The Meeting

approved the Financial Statements and discharged the members of the Board of Directors and CEO from liability for the year of 2017. The Board of Directors proposal for a dividend of EUR 0.12 per share was approved. The record date for dividend payments was April 30, 2018, and the dividend was paid on May 8, 2018.

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

The Annual General Meeting resolved a monthly compensation of EUR 3,000 be paid for the Chairman of the Board and EUR 1,700 for the Board Members, and an additional compensation of EUR 1,500 per year to the Board members belonging to a committee. Travel expenses will be reimbursed in accordance with the Company's travel policy.

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

The Annual General Meeting resolved to authorize the Board in accordance with the proposal of the Board of Directors to resolve to issue a maximum of 4,000,000 shares which currently corresponds to approximately 10% of all the shares in the Company. However, out of the above maximum number of shares to be issued no more than 400,000 shares, currently corresponding to approximately 1% of all the shares in the company, may be issued as part of the company's share-based incentive programs. The Board of Directors was authorized to decide on the terms and conditions of the issuance of shares. The authorization concerns both the issuance of new shares as well as the transfer of treasury shares. The issuance of shares may be carried out in deviation from the shareholders' pre-emptive right (directed issue). The authorization cancels previous unused authorizations regarding share issues. The authorization is valid for three (3) years from the date of the decision of the Annual General Meeting, except that the authorization for purposes other than the Company's share-based incentive schemes is valid until the closing of the next Annual General Meeting, however, no longer than until 30 June 2019.

The Annual General Meeting resolved, in ac-

cordance with the proposal of the Board of Directors, to amend the Articles 8 and 10 of the Articles of Association of the Company to be read as follows:

"8 § Representation rights of the company

Two (2) members of the Board of Directors together have the right to represent the company. The Board of Directors may grant the right to represent the company to a named person. The Board of Directors resolves on procuration rights."

"10 § Notice to the general meeting of shareholders

The notice convening the general meeting of shareholders must be delivered to the shareholders by publishing the notice on the company's website or by a newspaper announcement which is published in one or more widely circulated daily newspapers chosen by the Board of Directors no earlier than three (3) months and no later than three (3) weeks before the meeting, and in any case at least nine (9) days before the record date of the general meeting of shareholders.

In order to be able to attend the general meeting of shareholders, the shareholder must notify the company at the latest on the date mentioned in the notice, which may be no earlier than ten (10) days before the general meeting of shareholders.

The venue for the general meeting of shareholders must be located in Helsinki or Hämeenlinna, Finland."

TREASURY SHARES

At the beginning of the financial year, Kamux had 1,319,862 treasury shares corresponding to 3% of all shares. During the financial year Kamux cancelled 1,319,862 treasury shares and the cancellation of the treasury shares was registered in the trade register on March 14, 2018. After the cancellation Kamux does not hold any treasury shares.

PROPOSAL OF THE BOARD OF DIRECTORS FOR DISTRIBUTION OF PROFIT

On December 31, 2018 Kamux Corporation's distributable earnings were EUR 69,027,428.12 of which profit for the year was EUR 14,374,773.27. The Board of Directors proposes a dividend of EUR 0.16 per share to be distributed and that the other distributable earnings be held in unrestricted equity (for the year 2017 a dividend of EUR 0.12 per share was distributed).

EVENTS AFTER THE FINANCIAL YEAR

On January 7, 2019, Kamux CFO and member of the Management Team Tapio Arimo resigned from Kamux to pursue opportunities outside the company. Arimo will continue in his current role until April 12, 2019.

On 23 January 2019, the Board of Directors of Kamux Corporation decided to approve the detailed terms and conditions of the share-based incentive scheme for the Group's key personnel for 2019.

On January 29, 2019 Kamux updated its medium-term financial targets. Kamux's new medium-term annual financial targets are: Revenue growth of more than 10%, EBIT margin of at least 4% and dividend payout at least 30% of profit.

In January 2019 Kamux opened a showroom in Oulu in Limingantulli. In February 2019, Kamux opened new showrooms in Kajaani and Karlskrona. In January 2019 Kamux announced opening of Finland's 47th showroom in March in Nurmijärvi in Klaukka and opening of Germany's fifth showroom during summer 2019 in Tostedt in Hamburg area.

ESTIMATE OF FUTURE DEVELOPMENT

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

Kamux's earlier medium-term financial target was to increase revenue to at least EUR 700 million in 2019 with an EBIT margin of 4–5% in 2019 and at least 5% in the long term, and to distribute at least 30% of the profit for the year to shareholders as dividends.

RELATED PARTY LOANS AND LIABILITIES

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

Hämeenlinna March 1, 2019
Kamux Corporation
Board of Directors

SHARES AND SHARE OWNERSHIP

SHARE

Kamux's share capital at the end of the financial year was EUR 80,000 and the number of shares was 39,987,294. The company has one class of shares and each share has one vote at the company's general meeting. During the financial year 2018, Kamux cancelled 1,319,862 treasury shares held by the company. The cancellation of the treasury shares was registered with the Finnish Trade Register on March 14, 2018. After the cancellation, the Company does not hold any treasury shares. During the financial year, a total of 1,497,723 Kamux shares were traded on the Nasdaq Helsinki marketplace. The highest trading price for the financial year was EUR 7.48 and the lowest EUR 5.20. The closing price of the share on the last trading day on December 28, 2018 was EUR 5.44. The trade volume weighted average price of the Kamux share during the year was EUR 6.43. The market value of

the share capital was EUR 217.5 million at the end of the year. The trading symbol on the Nasdaq Helsinki main market is KAMUX, and Kamux is classified as a medium-sized company in the Retail sector.

SHAREHOLDERS AND FLAGGING

At the end of 2018, the number of registered shareholders was 2,009 (including 6 nominee registered shareholders). Kamux's largest shareholders on December 31, 2018 were Intera Fund II Ky (29.38%), Kalliokoski Juha Antero (14.09%) and Elo Mutual Pension Insurance Company (6.95%).

In accordance with the rules of the Securities Market Act, shareholders of publicly listed companies must notify both the Financial Supervisory Authority and the listing company of changes in their holdings. In 2018 Kamux received no flagging announcements.

LARGEST SHAREHOLDERS DECEMBER 31, 2018

| | Share ownership | % of shares |
|--|-------------------|--------------|
| 1 Intera Fund II Ky | 11,748,596 | 29.38 |
| 2 Kalliokoski Juha Antero | 5 635,500 | 14.09 |
| 3 Elo Mutual Pension Insurance Company | 2,777,778 | 6.95 |
| 4 Ilmarinen Mutual Pension Insurance Company | 1,633,488 | 4.09 |
| 5 Kalliola Jyri | 1,365,000 | 3.41 |
| 6 Mäkinen Jussi Antero | 1,365,000 | 3.41 |
| 7 Fondita Nordic Micro Cap Placeringsfond | 1,217,000 | 3.04 |
| 8 Mutual fund Aktia Capital | 1,150,000 | 2.88 |
| 9 OP-Finland Value mutual fund | 1,075,411 | 2.69 |
| 10 OP-Finland Small Firms mutual fund | 523,005 | 1.31 |
| 11 Salmela Jussi Pekka | 409,647 | 1.02 |
| 12 Pelkonen Henri Tapio | 409,500 | 1.02 |
| 13 Blueberry Capital Oy | 276,038 | 0.69 |
| 14 Ahonen Ari Juhani | 273,000 | 0.68 |
| 15 Kempainen Jorma Petteri | 273,000 | 0.68 |
| 16 Mänty Tero Juho | 273,000 | 0.68 |
| 17 Pihlaja Ari Kalevi | 273,000 | 0.68 |
| 18 Mutual fund eQ Nordic Small Cap | 267,700 | 0.67 |
| 19 Mutual Fund Aktia Nordic Small Cap | 250 000 | 0.63 |
| 20 Special Mutual Fund Danske Invest Finland Opportunities | 232,795 | 0.58 |
| 20 largest shareholders in total | 31,428,458 | 78.60 |

Excludes nominee registered shares.

BOARD OF DIRECTORS' REPORT

Kamux has received the following notifications of nominee registered owners on December 31, 2018: Investment funds managed by Swedbank Robur owned a total of 2,874,487 shares, corresponding to 7.19 %

of the outstanding shares and votes of the company, and family Dan Sten Olsson and trust owned a total of 982,577 Kamux shares, corresponding to 2.46% of the outstanding shares and votes of the company.

OWNERSHIP BY SECTOR, DECEMBER 31, 2018

| | Owners | % of owners | Shares | % of shares |
|--------------------------------------|--------------|---------------|-------------------|---------------|
| Foreign owners | 11 | 0.55 | 116,993 | 0.35 |
| Households | 1,898 | 94.47 | 11,810,881 | 34.97 |
| Government entities | 2 | 0.10 | 4,411,266 | 13.06 |
| Financial and insurance institutions | 15 | 0.75 | 16,532,599 | 48.95 |
| Non-profit organizations | 1 | 0.05 | 100 | 0.00 |
| Companies and home associations | 82 | 4.08 | 902,070 | 2.67 |
| Total | 2,009 | 100.00 | 33,773,909 | 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, 2018

| Shares | Owners | % of owners | Shares | % of shares |
|-----------------|--------------|---------------|-------------------|---------------|
| 1-100 | 823 | 40.97 | 39,140 | 0.10 |
| 101-500 | 769 | 38.28 | 202,686 | 0.51 |
| 501-1 000 | 191 | 9.51 | 146,596 | 0.37 |
| 1 001-5 000 | 136 | 6.77 | 287,076 | 0.72 |
| 5 001-10 000 | 30 | 1.49 | 218,634 | 0.55 |
| 10 001-50 000 | 31 | 1.54 | 721,094 | 1.80 |
| 50 001-100 000 | 3 | 0.15 | 177,579 | 0.44 |
| 100 001-500 000 | 14 | 0.70 | 3,505,676 | 8.77 |
| 500 001- | 12 | 0.60 | 34,688,813 | 86.75 |
| Total | 2,009 | 100.00 | 39,987,294 | 100.00 |

KEY PERFORMANCE MEASURES

| | 2018 | 2017 | 2016 |
|---|--------|--------|--------|
| STATEMENT OF COMPREHENSIVE INCOME | | | |
| Revenue | 527.8 | 454.9 | 404.8 |
| revenue growth, % | 16.0% | 12.4% | 30.6% |
| Gross profit | 64.9 | 53.8 | 49.2 |
| as percentage of revenue, % | 12.3% | 11.8% | 12.2% |
| Earnings before interest, tax, depreciation and amortization (EBITDA) | 20.2 | 17.3 | 16.5 |
| as percentage of revenue, % | 3.8% | 3.8% | 4.1% |
| Operating profit (EBIT) | 18.9 | 16.2 | 15.7 |
| as percentage of revenue, % | 3.6% | 3.6% | 3.9% |
| Adjusted operating profit | 21.9 | 18.6 | 18.0 |
| as percentage of revenue, % | 4.1% | 4.1% | 4.4% |
| BALANCE SHEET | | | |
| Equity | 68.9 | 58.9 | 28.9 |
| Non-current liabilities | 20.0 | 22.8 | 25.8 |
| Current liabilities | 26.1 | 21.3 | 23.7 |
| Balance sheet total | 115.0 | 103.0 | 78.4 |
| Net debt | 9.6 | 7.3 | 30.9 |
| Net working capital | 61.2 | 49.5 | 43.3 |
| Inventories | 71.0 | 55.2 | 47.9 |
| OTHER INFORMATION | | | |
| Number of cars sold | 46,596 | 40,957 | 36,290 |
| Gross profit per sold car | 1,392 | 1,314 | 1,357 |
| Sales growth of like-for-like showrooms, % | 5.6% | -4.9% | 12.2% |
| Inventory turnover, days | 49.6 | 46.8 | 43.1 |
| Capital expenditures | 1.3 | 1.2 | 2.1 |
| Average number of employees during the period | 472 | 418 | 343 |
| KEY FIGURES | | | |
| Return on equity (ROE), % | 22.9% | 26.6% | 43.8% |
| Return on capital employed (ROI), % | 16.2% | 17.2% | 22.5% |
| Equity ratio, % | 60.0% | 57.2% | 36.9% |
| Gearing, % | 14.0% | 12.3% | 107.0% |

| PER SHARE DATA | 2018 | 2017 | 2016 |
|---|-------------|-------------|-------------|
| Earnings per share, basic, € | 0.37 | 0.30 | 0.29 |
| Cash flows from operating activities per share, € | 0.07 | 0.17 | -0.03 |
| Shareholders' equity per share, € | 1.72 | 1.43 | 0.75 |
| Dividend per share, € | 0.16 * | 0.12 | 0.06 |
| Payout ratio, % | 43.7 % | 39.9 % | 20.5 % |
| Effective dividend yield, % | 2.9 % | 1.7 % | - |
| Price/earnings (P/E) ratio | 14.9 | 23.5 | - |
| Highest share price, € | 7.48 | 9.00 | - |
| Lowest share price, € | 5.20 | 6.40 | - |
| Share price on December 31, € | 5.44 | 7.05 | - |
| Market capitalization of share stock, € million | 217.5 | 281.9 | - |
| Turnover of shares, total, kpcs | 1,498 | 16,532 | - |
| Relative turnover of shares, total, % | 3.7 % | 41.3% | - |
| Average no. of shares (1,000 shares), basic** | 39,987 | 38,937 | 37,566 |
| Average no. of shares (1,000 shares), diluted** | 39,996 | 38,941 | 37,635 |
| Total no. of shares (1,000 shares) on December 31** | 39,987 | 39,987 | 37,017 |

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

**Excluding treasury shares

CALCULATION OF KEY FIGURES AND ALTERNATIVE PERFORMANCE MEASURES

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

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

TAX REASSESSMENT DECISION

In 2018, Kamux received a tax reassessment decision from the Finnish Tax Administration. According to the decision, Kamux was required to pay approximately EUR 2.6 million in additional taxes, tax penalties and late payment interests. On June 18, 2018, Kamux published a stock exchange release about the tax reassessment decision. The decision is 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. The main areas of the tax audit were value-added taxes of vehicles imported by third parties and withholding taxes of car couriers. Kamux considers the decision to be unfounded and appealed against the decision. Kamux expensed the total amount of the tax reassessment decision, approximately EUR 2.6 million, in full into 2018.

RECONCILIATION OF ADJUSTED OPERATING PROFIT

| EUR million | 2018 | 2017 |
|--|-------------|-------------|
| Operating profit (EBIT) | 18.9 | 16.2 |
| Costs relating to the initial public offering | - | 1.2 |
| Strategic investigations | 0.4 | 0.7 |
| Special items relating to geographical expansion | 0.1 | 0.4 |
| Taxes related to previous financial years | 2.5 | - |
| Total adjustment items | 3.0 | 2.4 |
| Adjusted operating profit | 21.9 | 18.6 |

CALCULATION OF KEY FIGURES

| | | |
|--|---|--|
| Gross profit | = | Revenue + Other operating income – Materials and services |
| Earnings before interest, tax, depreciation, and amortization (EBITDA) | = | Operating profit + Depreciation and amortization |
| Adjusted operating profit (EBIT) | = | Operating profit adjusted for costs relating to the listing, special items relating to strategic planning and strategy implementation, special items relating to geographical expansion of business and taxes related to previous financial years. |
| Net debt | = | Non-current borrowings + Current borrowings – Cash and cash equivalents |
| Financial debt | = | Non-current borrowings + Current borrowings |
| Like-for-like showroom revenue growth | = | $100 \times \left(\frac{\text{Like-for-like showroom car sales}}{\text{Like-for-like showroom car sales in the previous year}} - 1 \right)$ 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), % | = | $100 \times \frac{\text{Profit for the period} + \text{Finance costs (rolling 12 months)}}{\text{Equity} + \text{Financial debt (average for 12 months)}}$ |
| Equity ratio, % | = | $100 \times \frac{\text{Equity}}{\text{Balance sheet total} - \text{Advance payments received}}$ |
| Gearing, % | = | $100 \times \frac{\text{Net debt}}{\text{Equity}}$ |
| Earnings per share, basic | = | $\frac{\text{Profit for the period (attributable to owners of the Company)}}{\text{Weighted average number of outstanding shares adjusted for share issue for the period}}$ |
| Net working capital | = | Inventories + Trade and other receivables + Current income tax receivables – Trade and other payables – Current income tax liabilities – Non-current and current provisions |
| Dividend per share, EUR | = | Dividend per share approved by the Annual General Meeting With respect to the most recent year, the Board's proposal to the AGM |
| Payout ratio, % | = | $100 \times \frac{\text{Dividend/share}}{\text{Share of EPS belonging to parent company owners}}$ |
| Effective dividend yield, % | = | $100 \times \frac{\text{Dividend/share adjusted for share issue}}{\text{Final quotation at close of period adjusted for share issue}}$ |
| Price/earnings (P/E) ratio | = | $\frac{\text{Final quotation at close of period adjusted for share issue}}{\text{Share of EPS belonging to parent company owners}}$ |
| Shareholders' equity per share, EUR | = | $\frac{\text{Equity attributable to equity holders of the parent}}{\text{Basic number of shares at the end of period adjusted for share issue}}$ |
| Market capitalization of share stock | = | Number of shares x closing price at the end of period |

KAMUX CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2018

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 2018 and 2017 clearly and concisely. In addition to primary statements the consolidated financial statements include five sections: Basis of Preparation and Information on Kamux, Key Performance Metrics of Kamux Group, Net Working Capital, Net Debt and Contingencies and Other Notes. Each part also explains related significant accounting principles. This manner of presenting information aims at providing the reader with a clear understanding of the Group's financial position and on how the applied accounting policies impact the figures presented in the financial statements.

PRIMARY STATEMENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS

**CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME**

CONSOLIDATED BALANCE SHEET

**CONSOLIDATED STATEMENT OF
CHANGES IN EQUITY**

CONSOLIDATED STATEMENT OF CASH FLOWS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| EUR million | Note | For the year ended December 31, | |
|--|----------|------------------------------------|--------------|
| | | 2018 | 2017 |
| Revenue | 2.2 | 527.8 | 454.9 |
| Other operating income | 2.2 | 0.9 | 0.7 |
| Materials and services | 2.3, 2.4 | -463.8 | -401.7 |
| Personnel costs | 2.4 | -26.8 | -21.7 |
| Other operating expenses | 2.4 | -17.9 | -14.8 |
| Depreciation and amortization | 2.4 | -1.2 | -1.1 |
| Operating profit | | 18.9 | 16.2 |
| Finance income and costs | 4.2 | 0.4 | -0.8 |
| Profit before income tax | | 19.4 | 15.5 |
| Income tax | 2.5 | -4.7 | -3.8 |
| Profit for the period | | 14.6 | 11.7 |
| Other comprehensive income | | | |
| Items that maybe subsequently reclassified to profit or loss | | | |
| Translation differences | | -0.1 | -0.0 |
| Other comprehensive income for the period, net of tax | | -0.1 | -0.0 |
| Total comprehensive income for the period | | 14.6 | 11.7 |
| Profit for the period attributable to owners of the Company | | 14.6 | 11.7 |
| Total comprehensive income for the period attributable to owners of the Company | | 14.6 | 11.7 |
| Earnings per share for profit attributable to owners of the Company | 2.6 | | |
| Earnings per share, basic and diluted, EUR | | 0.37 | 0.30 |

Consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

| EUR million | Note | At December 31, | |
|---|------|-----------------|--------------|
| | | 2018 | 2017 |
| ASSETS | | | |
| Non-current assets | | | |
| Intangible assets | 5.2 | 1.1 | 1.1 |
| Goodwill | 5.2 | 13.6 | 13.6 |
| Property, plant and equipment | 5.2 | 1.8 | 1.7 |
| Other receivables | | 0.1 | 0.1 |
| Deferred tax assets | 5.5 | 0.4 | 0.3 |
| Total non-current assets | | 16.9 | 16.8 |
| Current assets | | | |
| Inventories | 3.1 | 71.0 | 55.2 |
| Trade and other receivables | 3.2 | 13.7 | 12.9 |
| Derivative financial instruments | 4.1 | 0.6 | - |
| Current tax assets | | - | 0.0 |
| Cash and cash equivalents | 4.1 | 12.8 | 18.1 |
| Total current assets | | 98.1 | 86.2 |
| TOTAL ASSETS | | 115.0 | 103.0 |
| 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 | 24.6 |
| Translation differences | | -0.0 | 0.0 |
| Treasury shares* | | - | -8.1 |
| Retained earnings | | 29.5 | 30.6 |
| Profit for the period | | 14.6 | 11.7 |
| Total equity attributable to owners of the Company | | 68.9 | 58.9 |
| Non-current liabilities | | | |
| Borrowings | 4.1 | 19.4 | 22.4 |
| Derivative financial instruments | 4.1 | - | 0.1 |
| Other non-current liabilities | | 0.2 | - |
| Provisions | 4.3 | 0.4 | 0.4 |
| Total non-current liabilities | | 20.0 | 22.8 |
| Current liabilities | | | |
| Borrowings | 4.1 | 3.0 | 3.0 |
| Trade and other payables | 3.3 | 20.7 | 15.6 |
| Provisions | 2.3 | 2.2 | 2.2 |
| Current income tax liabilities | | 0.3 | 0.4 |
| Total current liabilities | | 26.1 | 21.3 |
| Total liabilities | | 46.1 | 44.1 |
| TOTAL EQUITY AND LIABILITIES | | 115.0 | 103.0 |

* The treasury shares fund has been included in retained earnings in the Financial Statements for the comparative period. 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, 2018 | | 0.1 | 24.6 | 0.0 | -8.1 | 42.3 | 58.9 |
| Profit for the period | | | | | | 14.6 | 14.6 |
| Other comprehensive income | | | | -0.1 | | | -0.1 |
| Total comprehensive income | | | | -0.1 | | 14.6 | 14.6 |
| Transactions with owners: | | | | | | | |
| Cancellation of treasury shares | 5.4 | | 0.1 | | 8.1 | -8.2 | - |
| Share-based payments | 5.3 | | | | | 0.1 | 0.1 |
| Dividends for owners | | | | | | -4.8 | -4.8 |
| Equity at Dec 31, 2018 | | 0.1 | 24.7 | -0.0 | - | 44.1 | 68.9 |
| Equity at Jan 1, 2017 | | 0.1 | 4.1 | 0.1 | -8.1 | 32.8 | 28.9 |
| Profit for the period | | | | | | 11.7 | 11.7 |
| Other comprehensive income | | | | -0.0 | | | -0.0 |
| Total comprehensive income | | | | -0.0 | | 11.7 | 11.7 |
| Transactions with owners: | | | | | | | |
| Share issue | 5.4 | | 20.5 | | | | 20.5 |
| Dividends for owners | | | | | | -2.2 | -2.2 |
| Price difference between the offering for employees and the public offering | 2.4 | | | | | 0.1 | 0.1 |
| Equity at Dec 31, 2017 | | 0.1 | 24.6 | 0.0 | -8.1 | 42.3 | 58.9 |

* The treasury shares fund has been included in retained earnings in the Financial Statements for the comparative year. The above consolidated statements 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, | |
|---|----------|---------------------------------|-------------|
| | | 2018 | 2017 |
| Cash flows from operating activities | | | |
| Profit for the period | | 14.6 | 11.7 |
| Adjustments for: | | | |
| Depreciation and amortization | 2.4 | 1.2 | 1.1 |
| Finance income and costs | 4.2 | -0.4 | 0.8 |
| Change in provisions | 2.3, 4.3 | -0.0 | 0.6 |
| Write-down of inventories | 3.1 | 0.1 | -0.1 |
| Income taxes | 2.5 | 4.7 | 3.8 |
| Other non-cash items | | 0.1 | 0.1 |
| Changes in working capital: | | | |
| Change in trade receivables and other receivables | 3.2 | -0.9 | -1.6 |
| Change in trade payables and other payables | 3.3 | 5.1 | 3.4 |
| Change in inventories | 3.1 | -16.3 | -7.3 |
| Interests paid | | -0.5 | -0.5 |
| Other financial items, net | | -0.1 | -0.1 |
| Income taxes paid | | -4.9 | -5.1 |
| Net cash inflow (outflow) from operating activities | | 2.7 | 6.5 |
| Cash flows from investing activities | | | |
| Investments in property, plant and equipment | | -0.7 | -0.6 |
| Investments in intangible assets | | -0.6 | -0.6 |
| Net cash inflow (outflow) from investing activities | | -1.3 | -1.2 |
| Cash flows from financing activities | | | |
| Proceeds from share issues | 5.4 | - | 20.5 |
| Repayments of bank loans | 4.1 | -3.0 | -6.3 |
| Dividends paid | | -4.8 | -2.2 |
| Other cash flows from financing activities | | 0.3 | - |
| Net cash inflow (outflow) from financing activities | | -7.5 | 12.0 |
| Net decrease/increase in cash and cash equivalents | | -6.1 | 17.3 |
| Cash and cash equivalents at the beginning of the period | | 18.1 | 0.7 |
| Effects of exchange rate changes on cash and cash equivalents | | 0.8 | 0.1 |
| Cash and cash equivalents at the end of period | | 12.8 | 18.1 |

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

1

BASIS OF PREPARATION AND INFORMATION ON KAMUX

BASIS OF PREPARATION SHORT PRESENTATION OF KAMUX

1.1 BASIS OF PREPARATION

GENERAL INFORMATION

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

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

The Company's Board of Directors has approved these financial statements at its meeting on March 1, 2019.

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, 2018. The notes to the financial statements also comply with Finnish accounting and corporate legislation complementing the IFRS standards.

Assets and liabilities are measured at cost, except for derivative instruments that are measured at fair value through profit or loss. Financial statements are presented in millions of euros. The figures presented in the financial statements are rounded and therefore the sum of individual figures may differ from the presented sum figure.

The Company's functional currency is euro, which is also the reporting currency for the Company and the Group. This means that financial statements are presented in euros.

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

ACCOUNTING ESTIMATES AND JUDGMENTS IN THE FINANCIAL STATEMENTS

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

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

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

| Source of uncertainty and managerial judgments | Note |
|--|------|
| Repair liability costs | 2.3 |
| Valuation of used cars | 3.1 |
| Goodwill | 5.2 |
| Management holdings | 5.3 |

1.2 SHORT PRESENTATION OF KAMUX

Kamux is a rapidly grown retail chain operating in Finland, Sweden and Germany and specialising in used car sales. The first Kamux car showroom began operations in Finland in 2003 and as of December 31, 2018, Kamux had 44 showrooms in Finland, 13 in Sweden and 4 in Germany. Since its incorporation, Kamux has sold more than 200,000 used cars.

Kamux's CEO Juha Kalliokoski founded Kamux in 2003 by opening its first car showroom in Hämeenlinna, where Kamux's head office is still located. Kamux opened its second car showroom in 2006 and by 2010 it had expanded its network to 14 car showrooms in Finland. In 2010 Kamux started to offer integrated services to its customers. In 2011 Finnish private equity investor Intera Partners acquired control of Kamux with the existing management staying as company shareholders. Intera's aim was to provide Kamux with additional resources and know-how for expanding operations in Finland and abroad. Kamux expanded into Sweden in late 2012 and into Germany in December 2015.

Kamux's business is based on a combination of car showrooms and online presence, professional procurement of used cars, low fixed costs, rapid inventory turnover and sales of integrated services. Kamux's business model makes it possible to offer affordable used cars, and Kamux's aim is to continuously develop its operations to better address customers' needs. Kamux offers its customers financing products from third party service providers at all of its car showrooms in Finland, Sweden and Germany. In addition, Kamux offers insurance products and a liability extension product for car repair costs, Kamux Plus, in Finland and Sweden. A key component of Kamux's customer service concept is the home delivery, under

which the car is delivered to a location agreed with the customer and, if necessary, the possible trade-in car is simultaneously picked up. In 2017 Kamux opened its online store in Finland.

Kamux acquires used cars from car auctions, leasing companies, other car dealers, financing companies, importers, private individuals, and other sources. The majority of the used cars sold by Kamux are acquired from its customers as part of trade-in car sales. All of Kamux's car sales personnel in Finland buy cars, and each of Kamux's car showrooms has set purchasing targets. In Sweden and Germany, pricing of purchased cars is the responsibility of the sourcing teams in these countries operating under the purchasing director. In addition, Kamux has a separate sourcing organization, which is responsible for acquiring cars at car auctions, among others. Kamux aims to align its own and its employees' interests through its incentive scheme. The sales personnel's incentive scheme takes into account sales, car procurements, car trade-ins and the sales of integrated services when determining the amount of remuneration.

Kamux's entire car selection is available to all of its sales personnel at all Kamux's car showrooms in Finland as well as nationwide in Sweden and Germany. If needed, Kamux relocates a car from one car showroom or country to another once the sale is agreed upon. In 2018, 29 percent and in 2017, 28 percent of the cars sold by Kamux's were cross-sold through another Kamux car showroom. The size of the car selection at each of Kamux's car showrooms in Finland and Sweden varies between approximately 50 and 150 used cars available for sale, and at its car showrooms in Germany, Kamux aims to have a selection of approximately 100 to 300 used cars available for sale.

2

KEY PERFORMANCE METRICS OF KAMUX GROUP

RESULTS BY SEGMENT

REVENUE

REPAIR COSTS

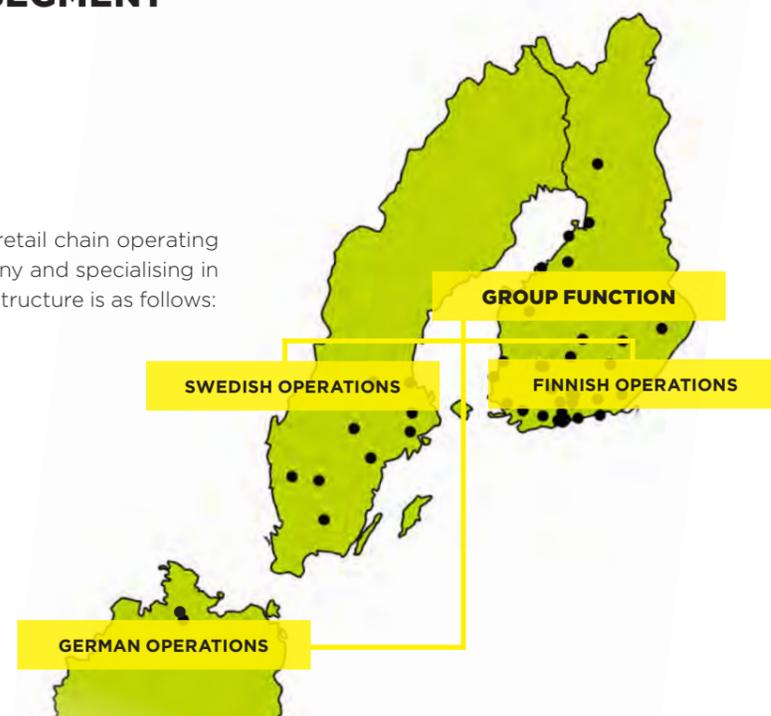
EXPENSES

INCOME TAXES

EARNINGS PER SHARE

2.1 RESULTS BY SEGMENT

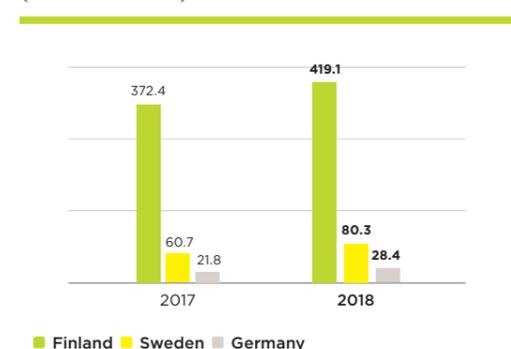
Kamux is a rapidly grown car retail chain operating in Finland, Sweden and Germany and specialising in used car sales. Its operational structure is as follows:



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

Kamux had 44 showrooms in Finland on December 31, 2018. In Sweden Kamux opened its first showroom in December 2012 and at the end of December 2018, it operated 13 showrooms, all in different localities. Kamux's growth strategy includes expansion into new countries and, in accordance with the strategy, Kamux started its operations in Germany by opening its first showroom in Hamburg area in December 2015. At the end of 2018 Kamux operated 4 showrooms in Hamburg area.

EXTERNAL REVENUE BY SEGMENT (EUR MILLION)



ACCOUNTING POLICY

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

DEFINITION OF KEY MEASURES

| | |
|-------------------------|---|
| Gross profit | Revenue + Other operating income - Materials and services |
| EBITDA | Operating profit + depreciation and amortization |
| Operating profit | Profit for the period + income tax + net finance costs |

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

| EUR million | Finland | Sweden | Germany | Segments total | Group functions | Eliminations | Group |
|---------------------------------|--------------|-------------|-------------|----------------|-----------------|--------------|--------------|
| 2017 | | | | | | | |
| Revenue | 372.4 | 73.2 | 22.8 | 468.4 | | -13.5 | 454.9 |
| internal | 0.0 | 12.5 | 1.0 | 13.5 | | -13.5 | |
| external | 372.4 | 60.7 | 21.8 | 454.9 | | | 454.9 |
| sales of used cars | 351.8 | 58.9 | 21.3 | 432.0 | | | 432.0 |
| integrated services | 20.6 | 1.8 | 0.5 | 22.8 | | | 22.8 |
| Gross profit | 46.4 | 5.9 | 1.5 | 53.8 | | | 53.8 |
| EBITDA | 23.9 | 0.1 | -1.8 | 22.2 | -4.9 | | 17.3 |
| Depreciation and amortization | -0.8 | -0.1 | -0.1 | -1.1 | -0.0 | | -1.1 |
| Operating profit | 23.1 | -0.1 | -1.9 | 21.1 | -4.9 | | 16.2 |
| Finance costs | | | | | | | -0.8 |
| Profit before income tax | | | | | | | 15.5 |

Of the Group's non-current assets, except for deferred tax assets, EUR 15.1 million as of December 31, 2018 (EUR 15.2 million as of December 31, 2017) were located in Finland. The corresponding amounts for Sweden were EUR 0.4 million as of December 31, 2018 (EUR 0.4 million as of December 31, 2017) and for Germany EUR 1.1 million as of December 31, 2018 (EUR 0.9 million as of December 31, 2017).

2.2 REVENUE

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

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

In addition, Kamux offers its customers a Kamux Plus service, which extends the seller's statutory liability for defects. Kamux repairs predefined car defects that are detected within 12 months of the purchase of a car or until 25,000/15,000 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 EUR million | For the year ended December 31, | |
|--|---------------------------------------|--------------|
| | 2018 | 2017 |
| Sales of used cars | 500.8 | 432.0 |
| Financing fees and Insurance commissions | 22.7 | 19.2 |
| Sales of Kamux Plus | 4.3 | 3.6 |
| Total | 527.8 | 454.9 |

Revenue from sales of used cars was EUR 500.8 million, or 95 percent of total revenue during the financial year 2018. In 2017 such revenue was EUR 432.0 million, or 95 percent of total revenue.

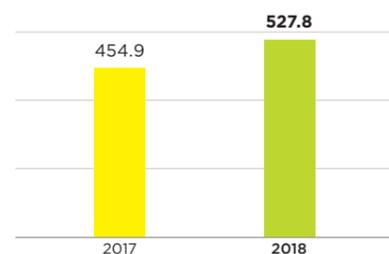
Financing fees and insurance commissions amounted to EUR 22.7 million during 2018, comprising 4 percent of total revenue. In 2017 fees and commissions were EUR 19.2 million or 4 percent of total revenue. Revenue from sales of the Kamux Plus service was EUR 4.3 million for the year ended December 31, 2018, and EUR 3.6 million in 2017.

External revenue generated in Finland was EUR 419.1 million and represented 79 percent of total Group revenue during 2018. In 2017 corresponding revenue was EUR 372.4 million, or 82 percent of total Group revenue. In Sweden external revenue amounted to EUR 80.3 million during 2018, and to EUR 60.7 million during 2017. In Germany external revenue amounted to EUR 28.4 million during 2018 and to EUR 21.8 million during 2017.

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

>> Read more about segment revenue in note 2.1.

REVENUE (EUR MILLION)



ACCOUNTING POLICY

Kamux adopted IFRS 15 standard Revenue from Contracts with Customers on January 1, 2018. The 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.

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

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

Financing fees from finance companies comprise fixed withdrawal and invoicing fees, variable interest fees and annual bonus fees. Fees are recognized as revenue on an accrual basis when the contract is signed with the customer or during the term of the agreement when Kamux is entitled to a payment from the finance company.

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

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

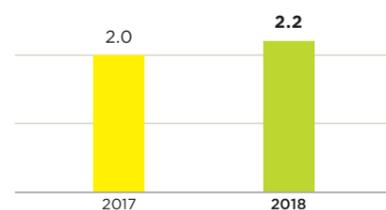
2.3 REPAIR COSTS

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

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

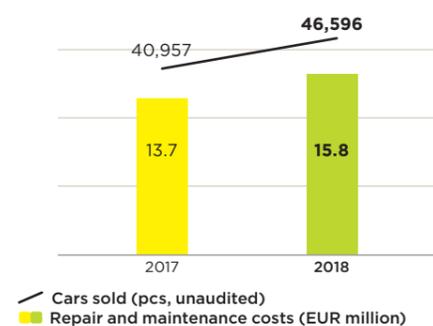
In addition to the statutory repair liability, Kamux offers its customers the Kamux Plus service, which extends the seller's liability for defects. Kamux repairs predefined defects that are detected within 12 months following the purchase of the car or within 25,000/15,500 driving kilometers, whichever comes first.

REPAIR LIABILITY PROVISION (EUR MILLION)



Repair liability provision amounted to EUR 2.2 million as at December 31, 2018 and EUR 2.0 million as at December 31, 2017. Repair- and maintenance costs have increased concurrently as the sales volumes have grown. Repair- and maintenance costs amounted to EUR 15.8 million during the financial year 2018, and to EUR 13.7 million during the financial year 2017. 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.

CARS SOLD & REPAIR AND MAINTENANCE COSTS



▬ Cars sold (pcs, unaudited)
■ Repair and maintenance costs (EUR million)

ACCOUNTING POLICY

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

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS

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

2.4 EXPENSES

| EUR million | For the year ended December 31, | |
|--|------------------------------------|--------------|
| | 2018 | 2017 |
| Materials and services | | |
| Purchases during the period | 480.0 | 409.1 |
| Change in inventories | -16.2 | -7.4 |
| External services | 0.1 | 0.1 |
| Total | 463.8 | 401.7 |
| Personnel costs | | |
| Wages and salaries | 21.8 | 17.6 |
| Pension costs | 3.0 | 2.4 |
| Share-based incentive program | 0.1 | - |
| Other employee benefit expenses | 1.9 | 1.6 |
| Total | 26.8 | 21.7 |
| Other operating expenses | | |
| Rents and lease costs | 7.7 | 6.3 |
| Marketing and advertising expenses | 2.4 | 2.6 |
| IT expenses | 1.4 | 0.9 |
| Other administrative expenses | 6.4 | 5.0 |
| Total | 17.9 | 14.8 |
| Auditors' fees (included in line other administrative expenses above) | | |
| Audit fees | 0.2 | 0.1 |
| Other audit related services | 0.4 | 0.5 |
| Total | 0.6 | 0.6 |
| Depreciation and amortization by class | | |
| Intangible assets | 0.6 | 0.5 |
| Property, plant and equipment | 0.6 | 0.6 |
| Total | 1.2 | 1.1 |

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 472 during the financial period 2018 and 418 in 2017. Employee remuneration is based on fixed and variable salary. The proportionate share of the variable compensation is significant and is based on the achievement of individually determined sales targets. In addition, some employees have car allowance, telephone allowance and internet access at home.

Kamux's pension arrangements are classified as defined contribution plans. The Finnish statutory pension plan under TyEL is arranged through insurance companies and provides pension benefits based on the years of employment and earnings. The retirement age of the old-age pension under TyEL is 63-68 years. Employees in Sweden and Germany belong to defined contribution plans. In Sweden, retirement age is 61-67 years, and in Germany 65-67 years.

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

Employee benefit expenses in 2018 include EUR 0.1 million costs accrual related to the share-based incentive program. Other employee benefit expenses

include EUR 0.1 million recorded as share-based payment from the price difference between the personnel offering and the public offering on the Nasdaq Helsinki main market in 2017.

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

RENTS AND LEASE COSTS

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

>> Read more about leasing obligations in note 4.3.

2.5 INCOME TAXES

| EUR million | For the year ended December 31, | |
|--|------------------------------------|------------|
| | 2018 | 2017 |
| Current tax | 4.7 | 3.8 |
| Tax on previous years | 0.1 | -0.0 |
| Change in deferred tax assets and liabilities | -0.1 | -0.0 |
| Total | 4.7 | 3.8 |
| Reconciliation of income tax expense | | |
| Profit before income tax expense | 19.4 | 15.5 |
| Tax calculated at the Finnish tax rate* | 3.9 | 3.1 |
| Non-deductible expenses | 0.3 | 0.0 |
| Difference in foreign tax rates | -0.3 | -0.3 |
| Tax losses carried forward for which a deferred tax asset has not been recognized | 0.8 | 0.9 |
| Other temporary differences for which a deferred tax asset has not been recognized | -0.0 | -0.0 |
| Tax on previous years | 0.1 | - |
| Other items | 0.0 | - |
| Income tax expense | 4.7 | 3.8 |

* Tax rate 20% in 2018 and 2017.

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

ACCOUNTING POLICY

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

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

2.6 EARNINGS PER SHARE

| | For the year ended December 31, | |
|--|------------------------------------|-------------|
| | 2018 | 2017 |
| Profit for the period attributable to Owners of the Company (EUR million) | 14.6 | 11.7 |
| Weighted average number of shares outstanding during the period, basic, in thousands of shares | 39,987 | 38,937 |
| Earnings per share, basic (EUR) | 0.37 | 0.30 |
| Impact of unregistered share issue on number of shares | 9 | 5 |
| Weighted average number of shares outstanding during the period, fully diluted, in thousands of shares | 39,996 | 38,941 |
| Earnings per share, fully diluted (EUR) | 0.37 | 0.30 |

ACCOUNTING POLICY

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

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

3

NET WORKING CAPITAL

INVENTORY
TRADE AND OTHER RECEIVABLES
TRADE AND OTHER PAYABLES

3.1 INVENTORY

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

Inventories amounted to EUR 71.0 million on December 31, 2018. On December 31, 2017 inventories amounted to EUR 55.2 million.

Write-downs of inventories to net realizable value amounted to EUR 0.1 million during 2018. In 2017 revaluation amounted to EUR -0.1 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



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

ACCOUNTING POLICY

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

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

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS

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

3.2 TRADE AND OTHER RECEIVABLES

| EUR million | At December 31, | |
|---|-----------------|-------------|
| | 2018 | 2017 |
| Trade receivables | 10.3 | 9.6 |
| Prepaid expenses and accrued income | 2.5 | 2.3 |
| Other receivables | 0.9 | 1.0 |
| Total | 13.7 | 12.9 |
| Material items included in prepaid expenses and accrued income | | |
| Insurance and finance commission fees | 1.9 | 1.8 |
| Other | 0.6 | 0.6 |
| Total | 2.5 | 2.3 |

TRADE RECEIVABLES AND CREDIT RISK

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

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

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, 2018. Impairment losses of trade receivables recognized in profit or loss amounted to EUR 0.1 million during the year 2018. In 2017 impairment losses of trade receivables were EUR 0.2 million.

ACCOUNTING POLICY

January 1, 2018 Kamux adopted IFRS 9 Financial Instruments -standard. In accordance with IFRS 9 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, | |
|--|-----------------|-------------|
| | 2018 | 2017 |
| Trade payables* | 7.8 | 8.5 |
| Accrued expenses and deferred income | 6.5 | 4.8 |
| Other | 6.4 | 2.3 |
| Total | 20.7 | 15.6 |
| Material items included in accrued expenses and deferred income | | |
| Accrued salaries | 3.8 | 2.9 |
| Accrued interests | 0.0 | 0.0 |
| Other accrued expenses** | 2.8 | 1.9 |
| Total | 6.5 | 4.8 |

* 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 0.7 million as of December 31, 2018 and EUR 1.0 million as of December 31, 2017. Loans to the finance companies are paid within a short period after the purchase of the car.

** Other accrued expenses relate to deferred revenue from sales of Kamux Plus as of December 31, 2018 and 2017.

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

4

NET DEBT AND CONTINGENCIES

CAPITAL MANAGEMENT AND NET DEBT FINANCE EXPENSES LEASE OBLIGATIONS AND COMMITMENTS

4.1 CAPITAL MANAGEMENT AND NET DEBT

CAPITAL MANAGEMENT

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

>> Read more about equity in note 5.4.

In order to maintain or adjust its capital structure, the Group may adjust the amount of dividends paid to

shareholders or issue new shares. The Group monitors capital on the basis of net debt and equity. Net debt is calculated as borrowings ("current and non-current borrowings" in the consolidated balance sheet) less cash and cash equivalents.

NET DEBT

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

BORROWINGS AND NET DEBT

| EUR million | At December 31, | |
|-------------------------------------|-----------------|-------------|
| | 2018 | 2017 |
| Non-current | | |
| Bank loans | 19.4 | 22.4 |
| Total non-current borrowings | 19.4 | 22.4 |
| Current | | |
| Bank loans | 3.0 | 3.0 |
| Bank overdrafts | - | - |
| Total current borrowings | 3.0 | 3.0 |
| Total borrowings | 22.4 | 25.4 |
| Less cash and cash equivalents | -12.8 | -18.1 |
| Net debt | 9.6 | 7.3 |

ACCOUNTING POLICY - BORROWINGS

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

BORROWINGS AND DERIVATIVES

As of December 31, 2018, borrowings consisted of a EUR 22.4 million five-year term loan, which has semi-annual repayments of EUR 1.5 million in March and September. The loans mature on March 31, 2021.

ACCOUNTING POLICY - DERIVATIVES

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

Fair values for Kamux's borrowings are determined by discounting the estimated cash flows to be paid at the market rate of the reporting date, considering the risk premium. Different terms and conditions of the loans (maturity, subordination, collateral) are taken into account in the measurement. Bank loans are classified as Level 2 in the fair value hierarchy due to the use of unobservable inputs, including Kamux's own estimates for risk premium.

Derivatives consist of 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 29.2 million on December 31, 2018 and EUR 7.2 million on December 31, 2017.

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, 2018, Kamux had cash and cash equivalents of EUR 12.8 million and as of December 31, 2017, EUR 18.1 million. In addition, Kamux had access to unused credit facilities and bank overdrafts of EUR 20.0 million as of December 31, 2018 and EUR 20.0 million as of December 31, 2017.

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

Loans from the financial institutions include the following covenants: net debt in proportion to adjusted EBITDA, equity as a portion of the balance sheet total and inventory turnover. The interest margin is variable and depends on the ratio of net debt and adjusted EBITDA. Kamux has given business mortgages amounting to EUR 104.0 million as of December 31, 2018 as a security for the loans from financial institutions. In addition, the Company has given an unlimited general guarantee on behalf of the subsidiaries in Finland, Sweden and Germany and pledged the shares of the Finnish, Swedish and German subsidiaries.

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

MATURITY TABLE FOR FINANCIAL LIABILITIES

| EUR million | Less than 3 months | 3 months - 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years |
|---------------------|--------------------|-------------------|-----------|-----------|-----------|-----------|-------------------|
| Dec 31, 2018 | | | | | | | |
| Loans | 1.6 | 1.7 | 3.3 | 16.6 | - | - | - |
| Accounts payables | 7.8 | - | - | - | - | - | - |
| Derivatives | -0.1 | -0.5 | - | - | - | - | - |
| Dec 31, 2017 | | | | | | | |
| Loans | 1.6 | 1.7 | 3.3 | 3.3 | 16.6 | - | - |
| Accounts payables | 8.5 | - | - | - | - | - | - |
| 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.

Effective interest rates of bank loans were 1.4%–1.5% at the end of 2018 and 1.4%–1.5% at the end of 2017.

Based on the sensitivity analysis, if interest rates had been 1.0 percentage points higher with all other variables held constant, the recalculated post-tax profit for the period and equity would have been EUR 0.2 million smaller in 2018 and EUR 0.2 million smaller in 2017. Interest rate sensitivity has been calculated by shifting the interest curve by 1.0 percentage points (due to low market interest environment the lower scenario has not been presented). The interest position includes all external variable rate loans and interest rate swaps.

Foreign exchange risk

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

Foreign exchange risk relating to Swedish operations arises basically from intra-Group finance transactions and trade payables from Swedish subsidiaries incurred in operating activities between the Group companies. Foreign exchange risk is not significant for the Group and these items are hedged as needed by using foreign exchange derivatives.

The remainder of the Group's income and 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 8.7 million as of December 31, 2018 and EUR 9.6 million as of December 31, 2017. Based on the sensitivity analysis, if the weakening or strengthening of the Swedish krona against euro had been 10 percent, the recalculated post-tax profit for the period and equity would have been EUR 0.9 million in 2018 and EUR 0.7 million in 2017 higher or lower.

Credit and counterparty risk

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

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

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

4.2 FINANCE EXPENSES

| EUR million | For the year ended December 31, | |
|--|---------------------------------|------------|
| | 2018 | 2017 |
| Interest expenses | 0.6 | 0.5 |
| Fair value changes for derivatives | -0.6 | 0.0 |
| Foreign exchange gains and losses, net | -0.4 | 0.1 |
| Other finance income and costs | 0.1 | 0.1 |
| Total | -0.4 | 0.8 |

ACCOUNTING POLICY

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

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

4.3 LEASE OBLIGATIONS AND OTHER COMMITMENTS

OPERATING LEASE COMMITMENTS

THE FUTURE MINIMUM LEASE PAYMENTS UNDER NON-CANCELLABLE OPERATING LEASES

| EUR million | At December 31, | |
|---|-----------------|-------------|
| | 2018 | 2017 |
| No later than 1 year | 9.4 | 7.2 |
| Later than 1 year and no later than 5 years | 20.8 | 14.4 |
| Later than 5 years | 2.6 | 0.6 |
| Total | 32.8 | 22.2 |

LOANS AGAINST WHICH GUARANTEES AND MORTGAGES HAVE BEEN GIVEN

| EUR million | At December 31, | |
|--------------------------------|-----------------|-------|
| | 2018 | 2017 |
| Loans | 22.4 | 25.4 |
| guarantees given against loans | 104.0 | 104.0 |

OTHER COMMITMENTS

| EUR million | At December 31, | |
|-----------------------------------|-----------------|------|
| | 2018 | 2017 |
| Rent and other payment guarantees | 0.4 | 0.4 |

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

Kamux has given business mortgages amounting to EUR 104.0 million at 31 December 2018 and EUR 104.0 million as of December 31, 2017 as a security

for its loans from financial institutions. In addition, the Company has given an unlimited general guarantee on the behalf of the subsidiaries of Finland, Sweden and Germany and pledged their shares.

DECOMMISSIONING OBLIGATION

Kamux owns a car showroom building in Nedderfeld, Germany, which is located on the land area Kamux is renting. Kamux has leased the land area for five years, and the lease may be extended. Kamux has an obligation to demolish the building at Kamux's own expense at the end of the lease. This obligation is recognized in the balance sheet on December 31, 2018 as a non-current provision of EUR 0.4 million.

5

OTHER NOTES

- GROUP STRUCTURE AND CONSOLIDATION**
- INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT**
- RELATED PARTY TRANSACTIONS**
- SHARE CAPITAL AND RESERVES**
- DEFERRED TAXES**
- EVENTS AFTER THE REPORTING DATE**
- NEW AND FORTHCOMING IFRS STANDARDS**

5.1 GROUP STRUCTURE AND CONSOLIDATION

SUBSIDIARIES

The consolidated financial statements include parent company and its subsidiaries. Subsidiaries refers to entities of which Kamux Group has control. Control exists, when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. 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.

Group's subsidiaries as of December 31, 2018 and December 31, 2017 were as follows:

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

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

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

Assets and liabilities in Swedish subsidiaries are translated into euro at the rate prevailing on the balance sheet date. Income and expenses in Swedish subsidiaries are translated into euro using an average rate. Translation differences that arise when translating the financial statements of subsidiaries are

recognized in other comprehensive income and accumulated in a separate component of equity, called translation differences.

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

5.2 INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

GOODWILL

Goodwill in the balance sheet formed when the parent company, a company established by Intera Fund II Ky, acquired Kamux Oy and its subsidiaries on December 7, 2011. The amount of goodwill was EUR 13.6 million as of December 31, 2018 and 2017. Goodwill is entirely allocated to the operating segment of Finland.

The Group performs impairment tests annually. The recoverable amount of goodwill related to Finland is based on fair value less costs of disposal (FVLCD), which is determined using a discounted cash flow model. Key estimates used to determine the recoverable amount include sales growth rate, cost development and the post-tax discount rate. Inputs used in the discounted cash flow model are inputs that are not based on observable market data (Level 3 inputs). Calculations are based on 5 years' cash flow projections approved by the management. Long-term growth rate was estimated to be 1% and post-tax discount rate was defined at 9.0% (2017 9.0%). 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.

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 2018 and 2017 impairment testing were:

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

The sensitivity analyses did not indicate impairment when the parameters above were changed one at a time or all at the same time.

OTHER INTANGIBLE ASSETS

Kamux has capitalized development costs and intangible rights related to different IT systems as other intangible assets. Kamux has invested in a tailor-made CRM system which is one of the key enablers of Kamux's effective selling process and cost-efficient inventory management. Microsoft Ax is a system for enterprise resource planning (ERP) and accounting, and it connects Kamux's inventory management and accounting. In 2018, Kamux invested in Basware's Invoice-Ready system, among others, which was implemented in the end of 2018. The capitalized costs consist of external service provider invoices and license fees.

ACCOUNTING POLICY - GOODWILL AND OTHER INTANGIBLE ASSETS

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

Management has determined that each showroom represents a separate cash generating unit (CGU). The impairment review is carried out for the group of cash generating units representing

the geographical area of Finland which is the level at which goodwill is monitored by management (read more in Sources of uncertainty and managerial 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 years.

**SOURCES OF UNCERTAINTY AND
MANAGERIAL JUDGMENTS - GOODWILL**

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

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

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

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

PROPERTY, PLANT AND EQUIPMENT

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

5.3 RELATED PARTY TRANSACTIONS

Intera Fund II Ky, which owned 29% of the Company's outstanding shares on December 31, 2018 and 29% on December 31, 2017, has significant influence over Kamux.

Related parties of the Group consist of the parent company, Group companies mentioned in note

5.1, and the companies controlled by the significant influence holder Intera Fund II Ky. Related parties are also key management personnel and their close family members as well as entities controlled by them. Key management personnel are the members of the Board of Directors, CEO and Management Team.

| EUR million | For the year ended December 31, | |
|------------------------|------------------------------------|------|
| | 2018 | 2017 |
| Sales of used cars | 0.1 | 0.1 |
| Purchases of used cars | -0.1 | -0.1 |
| Rental expenses | -0.5 | -0.5 |
| Consulting expenses | -0.1 | -0.3 |

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

The Group has leased from the CEO, his close family members and the companies controlled by them four locations with fixed-term lease contracts for 5-10 years. According to these contracts the Group has future lease obligations of EUR 2.3 million in 2018 and EUR 2.6 million in 2017.

During 2018, consulting expenses comprise consultancy fees paid to Virtanen Consulting GmbH, controlled by Matti Virtanen. The fees were related to the Group's geographical expansion. During 2017, the consulting fees included also consulting and bonus fees paid to DN Advisory Oy, controlled by David Nuutinen, and consulting fees paid to Virtanen Consulting GmbH relating to stock exchange listing and geographical expansion.

Transactions with related parties were made on an arm's length basis.

MANAGEMENT HOLDINGS

The Company has established a management co-investment arrangement for certain key management personnel and other key employees. The co-investment arrangements have been made with key employees of the Company employed before or during 2011–2017. The co-investment arrangement includes shareholders who have been shareholders before the ownership structure was formed in December 2011 and shareholders who have joined the Company as

key employees after the 2011 ownership changes. The co-investments of key employees who have invested after the 2011 ownership changes but before the Company's listing to Nasdaq Helsinki Oy stock exchange main list on May 2017, are subject to the IFRS 2 standard.

According to the agreements, the key employees of the arrangements have invested in shares issued by the Company. Investments made by key employees were carried out at the same valuation basis and substantially on the same terms as the investments made by the controlling owner.

The co-investment arrangement contains a share-based payment, but the valuation at the grant date indicates that the co-investments made and possible proceeds to employees do not contain additional benefits when compared to the controlling owner. As the Company does not have a contractual obligation to redeem the leavers in cash, and the Company has not, prior to 2016, used its right to redeem the shares of key employees' shares as their employment ends, the arrangement is classified as equity-settled share-based payment under IFRS. Accordingly, with the grant date fair value of the share-based payment being zero, no expense has been recognized in financial statements.

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

FINANCIAL STATEMENTS 2018

Holdings of the Board of Directors, CEO and Management Team of the Company's outstanding shares as of December 31, 2018 are presented in the following table:

| | Ownership |
|-----------------------------------|-----------|
| Members of the Board of Directors | 0.5% |
| CEO | 14.5% |
| Other Management Team | 1.1% |

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 2018, the bonus percent of total wages may not exceed 40 percent for CEO and 40 percent for other Management Team members.

In December 2017, the Board of Directors of Kamux Corporation decided to approve a share-based incentive scheme for the Group's key personnel and its terms and conditions for 2018. The amount of any gross reward paid pursuant to the scheme for the earnings period will be determined by the

achievement of goals set for the earnings criteria. The earnings criterion applicable for the 2018 earnings period was achieving the EBIT target for 2018 set by the Board of Directors. Any rewards resulting from the scheme will be paid after the end of the earnings period, by the end of May 2019.

The general terms and conditions of the scheme were described and published in a separate stock exchange release on December 13, 2017. The entire scheme is accounted for as an equity-settled payment with net settlement features. The first earnings period for the scheme was the calendar year 2018, followed by a two-year commitment period. The fair value of the scheme was determined on the grant date. The fair value of the scheme is expensed during the three years until the end of the commitment period. In financial year 2018 employee benefit expenses include EUR 0.1 million costs accrual related to the share-based incentive program.

| EUR thousand | For the year ended December 31, | |
|---|---------------------------------|------------|
| | 2018 | 2017 |
| Management Team salaries and other benefits (except CEO) | | |
| Wages, salaries and benefits | 940 | 768 |
| Pension costs -defined contribution plans | 235 | 191 |
| Share-based benefits | 161 | - |
| Total | 1 336 | 959 |
| CEO salaries and benefits | | |
| Wages, salaries and benefits | 239 | 232 |
| Pension costs -defined contribution plans | 60 | 58 |
| Share-based benefits | 41 | - |
| Total | 340 | 290 |

| EUR thousand | For the year ended December 31, | |
|--|---------------------------------|--------------|
| | 2018 | 2017 |
| Board of Directors salaries and benefits | | |
| Matti Virtanen* | 144 | 198 |
| Reija Laaksonen (from March 10, 2017) | 22 | 15 |
| David Nuutinen** | 20 | 107 |
| Jokke Paananen | 20 | 13 |
| Harri Sivula (from May 12, 2017) | 22 | 13 |
| Vesa Uotila | 22 | 13 |
| Inka Mero (until April 12, 2017) | - | 4 |
| Total | 250 | 365 |
| Management and Board of Directors compensation in total | 1,926 | 1,614 |

* Matti Virtanen's benefits include EUR 108 thousand (EUR 166 thousand in 2017) consulting fees of Virtanen Consulting GmbH.

** David Nuutinen's benefits include EUR 90 thousand in 2017 consulting fees and bonuses of DN Advisory Oy.

The Group CEO is entitled to the statutory pension and the retirement age is determined within the framework of statutory earnings-related pension plans. The CEO's retirement age is 63 years under the current legislation. Termination period for the CEO's employment contract is 6 months, and he/she is entitled to the salary for the termination period as well as the performance bonus until the termination date. In addition, if the Company terminates the contract, CEO is entitled under certain conditions to the amount corresponding to twelve months' total salary.

SOURCES OF UNCERTAINTY AND MANAGERIAL JUDGMENTS - MANAGEMENT HOLDINGS

The Group estimates whether the management holdings include an incentive plan. Judgment is required when classifying the plan (as cash or equity-settled payments or arrangement with alternatives) and measuring the plan. Fair values of grant dates of the benefits, including in the arrangements have to be assessed for measurement.

5.4 SHARE CAPITAL AND RESERVES

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

| Number of shares, 1 000 pcs | Shares outstanding | Treasury shares | Total shares | Treasury shares* EUR million |
|--|--------------------|-----------------|---------------|------------------------------|
| December 31, 2017 | 37,017 | 1,320 | 38,337 | -8.2 |
| Share issue | 52 | - | 52 | - |
| Share issue | 39 | - | 39 | - |
| Share issue | 26 | - | 26 | - |
| Share issue in initial public offering | 2,853 | - | 2,853 | - |
| December 31, 2017 | 39,987 | 1,320 | 41,307 | -8.2 |
| Share issue in public listing | - | -1,320 | -1,320 | 8.2 |
| December 31, 2018 | 39,987 | - | 39,987 | - |

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

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

Dividend distribution, acquisition or redemption of the treasury shares or other distribution of funds to the Company's shareholders require the fulfilment of certain terms of the financing agreement. For the financial year 2018, the Board of Directors proposes a dividend of EUR 6.4 million (EUR 0.16 per share). The Company paid a dividend of EUR 4.8 million (EUR 0.12 per share) in spring 2018.

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 RESERVE FOR INVESTED UNRESTRICTED EQUITY ARE AS FOLLOWS:

Cancellation of treasury shares in 2018

At the beginning of 2018, Kamux had 1,319,862 treasury shares corresponding to 3% of all shares. During the financial year Kamux cancelled 1,319,862 treasury shares and the cancellation of the treasury shares was registered in the trade register on March 14, 2018. After the cancellation Kamux does not hold any treasury shares.

Initial public offering in 2017

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

Directed share issues in 2017

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

5.5 DEFERRED TAX

| EUR million | January 1, 2018 | Recognized through profit or loss | December 31, 2018 |
|---|-----------------|-----------------------------------|-------------------|
| Deferred tax assets | | | |
| Provisions and accrued expenses | 0.3 | 0.0 | 0.4 |
| Depreciation and amortization and inventory | 0.0 | 0.0 | 0.0 |
| Total | 0.3 | 0.1 | 0.4 |
| Deferred tax liabilities | | | |
| Loans from financial institutions | 0.0 | -0.0 | 0.0 |
| Total | 0.0 | -0.0 | 0.0 |
| Total net | 0.3 | 0.1 | 0.4 |
| | 2017 | | |
| Deferred tax assets | | | |
| Provisions and accrued expenses | 0.3 | 0.0 | 0.3 |
| Derivative instruments | 0.0 | -0.0 | - |
| Depreciation and amortization | - | 0.0 | 0.0 |
| Total | 0.3 | 0.0 | 0.3 |
| Deferred tax liabilities | | | |
| Loans from financial institutions | 0.0 | -0.0 | 0.0 |
| Total | 0.0 | -0.0 | 0.0 |
| Total net | 0.3 | 0.0 | 0.3 |

Deferred tax assets and liabilities are offset only when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred taxes relate to the taxes collected by the same fiscal authority. In Sweden, the Group had unused tax losses EUR 4.8 million as of December 31, 2018 and EUR 4.9 million as of December 31, 2017 and in Germany the Group had unused tax losses EUR 5.6 million as of December 31, 2018 and EUR 3.2 million as of December 31, 2017, for which no deferred tax asset has been recognized due to the operating losses of the early phase of operations. These losses will not expire under the current tax regulations.

**ACCOUNTING POLICY –
DEFERRED TAX BALANCES**

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

Deferred tax liabilities are recognized for all taxable temporary differences, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference

will not reverse in the foreseeable future. Deferred tax assets are recognized on deductible temporary differences only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

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

5.6 EVENTS AFTER THE REPORTING DATE

On January 7, 2019 Kamux CFO and member of the Management Team Tapio Arimo resigned from Kamux to pursue opportunities outside the company. Arimo will continue in his current role until April 12, 2019.

On 23 January 2019, the Board of Directors of Kamux Corporation decided to approve the detailed terms and conditions of the share-based incentive scheme for the Group's key personnel for 2019.

On January 29, 2019 Kamux updated its medium-term financial targets. Kamux's new me-

dium-term annual financial targets are: Revenue growth of more than 10%, EBIT margin of at least 4% and dividend payout at least 30% of profit.

In January 2019 Kamux opened a showroom in Oulu in Limingantulli. In February 2019 Kamux opened new showrooms in Kajaani and Karlskrona. In January 2019 Kamux announced opening of Finland's 47. showroom in March in Nurmijärvi in Klaukula and opening of Germany's fifth showroom during summer 2019 in Tostedt in Hamburg area.

5.7 NEW AND FORTHCOMING IFRS STANDARDS

**NEW AND AMENDED STANDARDS EFFECTIVE IN
JANUARY 1, 2018**

In preparing these consolidated financial statements, Kamux has followed the same accounting policies as in the annual financial statements for 2017 except for the effect of changes required by the adoption of the following new and amended standards and interpretations on 1 January 2018.

Amendment to IFRS 2 Share-based Payments

The amendment concerns share-based payment transactions with net settlement features to cover withholding tax obligations. 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. Kamux adopted the standard on January 1, 2018 and applies from that date the amended standard into schemes belonging into the IFRS 2 scope. The amendment did not have an effect on the retained earnings at the adoption date due to the Group not having any share-based schemes in the financial periods before the adoption date.

The share-based scheme for year 2018 is treated so that the entire scheme is considered an equity-settled payment, and the compensation costs are recognized based on the number of gross shares awarded. The earnings period for the scheme was the calendar year 2018, followed by a two-year commitment period. The fair value of the scheme was determined on the grant date. The fair value of the scheme is expensed during the three years until the end of the commitment period.

IFRS 9 Financial instruments and associated amendments to various other standards

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

Kamux adopted the standard from January 1, 2018, using the practical expedients provided by the standard. In accordance with the practical expedients, the cumulative effects arising from the adoption of the standard are recognized in retained earnings at January 1, 2018, and the comparison figures for 2017 are not adjusted.

A debt instrument is measured at amortized cost only

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

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

The adoption of IFRS 9 did not have a significant impact on the classification of financial assets due to the fact that the Company does not have investments in securities or bonds at the moment.

Impairment of financial asset is based on new expected credit loss method. The significant financial assets of Kamux are trade receivables arising from normal business operations. For these trade receivables the Group applies a simplified provision matrix approach that is permitted by the standard. 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. Applying the new recognition model for credit losses did not have an effect on the retained earnings at January 1, 2018 due to the historically low amount of credit losses originating from trade and other receivables.

The new hedge accounting rules align hedge accounting more closely with common risk management practices. The amendments did not increase applying hedge accounting in the Group, but as a general rule, it will be easier to apply hedge accounting going forward due to inter alia only prospective effectiveness assessment is required and the risk component can be designated as a hedged item.

The new standard also introduced expanded disclosure requirements and changes in presentation.

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

IFRS 15 Revenue from Contracts with Customers, replaced IAS 18, which covered contracts for goods and services and IAS 11, which covered construction contracts. IFRS 15 includes a five-step model, by which sales revenue is recognized

when control of a good or service is transferred to a customer. Revenue is recognized in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Kamux adopted the standard on January 1, 2018, using the modified retrospective approach, which means that the cumulative effects arising from the application of the standard are recognized in retained earnings on January 1, 2018 and comparison figures are not adjusted. Adoption of the standard had no effect on the retained earnings on January 1, 2018, but it increased the number of notes presented. Kamux's business consists of retail and wholesale sales of used cars and integrated services sold to consumer and corporate customers. These goods and services have been identified in accordance with IFRS 15 as separate performance obligations.

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

Regarding Kamux Plus -service which extends the seller's statutory liability for defects the adoption of the standard did not have material effect.

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

The adoption of the new standard did not have a material effect on the consolidated financial statements regarding the timing or amount of net sales to be recognized. However, adoption of the standard increased the amount of disclosures.

NEW AND AMENDED STANDARDS TO BE ADOPTED IN LATER FINANCIAL YEARS

Kamux has not yet applied the following new and amended standards and interpretations already issued and that are endorsed by the European Union. The Group will adopt them as of the effective date or, if the date is other than the first day of the financial year, from the beginning of the subsequent financial year.

IFRS 16 Leases and associated amendments to various other standards

IFRS 16 will primarily affect accounting of lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial li-

ability to pay rentals for virtually all lease contracts. Kamux applies the optional exemption that exists for short-term and low-value leases.

Currently, future lease payments are presented in the notes as operating lease commitments at their nominal value. The currently reported operating lease commitments of Kamux totaled EUR 32.8 million (see Note 4.3.) on December 31, 2018.

In IFRS 16 implementation project Kamux has adjusted accounting processes to meet IFRS 16 requirements and improved controls. Kamux has implemented a lease agreement administration and calculation system which was taken into use in the beginning of year 2019. The standard has a significant effect on Kamux's consolidated financial statements since Kamux has leased many showrooms and office premises from third parties for periods longer than one year and by cancellable contracts. Kamux has prepared a preliminary assessment of the total effects of adopting the IFRS 16 standard in its consolidated financial statements. Kamux expects that the amount of leased assets and corresponding lease liabilities will increase the consolidated balance sheet total by 33% or EUR 38.3 million at the date of transition January 1, 2019. Applying IFRS 16 has no effect on retained earnings in equity at January 1, 2019. During 2019, key figures based on balance sheet will change. During 2019, the change will also have effect on Kamux's statement of comprehensive income because in the new method, the total expense is typically higher in the earlier years of a lease and lower in later years. Additionally, lease payment in operating expenses will be replaced with interest and depreciation, and consequently key figures such as EBITDA and operating profit will change. Kamux currently estimates that the adoption of IFRS 16 is not expected to have a significant impact on operating profit in year 2019.

In connection of applying IFRS 16, Kamux's management has made judgements is determination of the usage of extension periods of lease terms and discount rates

Operating cash flow will be higher, as cash payments for the principal portion of the lease liability are classified within financing activities. Only that part of the payments which reflects interest can continue to be presented as operating cash flow.

The standard is effective for accounting periods beginning on or after January 1, 2019.

Kamux adopts IFRS 16 using the modified retrospective transition approach. Figures of comparative years will not be restated.

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT (FAS)

| EUR million | For the year ended December 31, | |
|--|---------------------------------|-------------|
| | 2018 | 2017 |
| REVENUE | 3.3 | 3.0 |
| Other operating income | 0.1 | - |
| Personnel expenses | | |
| Salaries and fees | -1.5 | -1.1 |
| Social security expenses | | |
| Pension expenses | -0.3 | -0.2 |
| Other social security expenses | -0.0 | -0.0 |
| Total personnel expenses | -1.8 | -1.3 |
| Depreciation and amortization | | |
| Depreciation and amortization according to plan | -0.0 | -0.0 |
| Other operating expenses | -2.5 | -4.4 |
| Total expenses | -4.3 | -5.7 |
| OPERATING LOSS | -0.9 | -2.7 |
| Financial income and expenses | | |
| Interest and other financial income | | |
| From Group companies | 2.9 | 2.4 |
| From others | 1.7 | 1.0 |
| Total | 4.6 | 3.4 |
| Interest and other financial expenses | | |
| To others | -2.2 | -1.6 |
| Total | -2.2 | -1.6 |
| Total financial income and expenses | 2.4 | 1.7 |
| INCOME BEFORE APPROPRIATIONS AND TAXES | 1.5 | -0.9 |
| Appropriations | | |
| Group contributions received | 16.5 | 14.5 |
| Total appropriations | 16.5 | 14.5 |
| Direct taxes | -3.6 | -2.7 |
| PROFIT FOR THE FINANCIAL YEAR | 14.4 | 10.9 |

PARENT COMPANY BALANCE SHEET (FAS)

| EUR million | For the year ended December 31, | |
|--|---------------------------------|--------------|
| | 2018 | 2017 |
| ASSETS | | |
| NON-CURRENT ASSETS | | |
| Intangible assets | | |
| Intangible rights | 0.0 | 0.1 |
| Total | 0.0 | 0.1 |
| Investments | | |
| Investments in subsidiaries | 32.8 | 29.2 |
| Total | 32.8 | 29.2 |
| CURRENT ASSETS | | |
| Non-current receivables | | |
| Non-current receivables from Group companies | 36.2 | 33.9 |
| Total | 36.2 | 33.9 |
| Current receivables | | |
| Trade receivables | 0.1 | - |
| Receivables from Group companies | 29.8 | 33.2 |
| Other receivables | 0.2 | 0.1 |
| Prepaid expenses and accrued income | 0.0 | 0.1 |
| Total | 30.2 | 33.4 |
| Cash at hand and in banks | 12.7 | 17.4 |
| TOTAL ASSETS | 111.9 | 114.1 |

| EUR million | For the year ended December 31, | |
|--|---------------------------------|--------------|
| | 2018 | 2017 |
| LIABILITIES AND EQUITY | | |
| Equity | | |
| Share capital | 0.1 | 0.1 |
| Invested non-restricted equity reserve | 25.3 | 25.2 |
| Retained earnings | 29.3 | 23.3 |
| Profit for the year | 14.4 | 10.9 |
| Total | 69.1 | 59.5 |
| Liabilities | | |
| Non-current liabilities | | |
| Loans from financial institutions | 19.5 | 22.5 |
| Liabilities to Group companies | 4.5 | 4.7 |
| Current liabilities | | |
| Interest-bearing | | |
| Loans from financial institutions | 3.0 | 3.0 |
| Liabilities to Group companies | 13.9 | 23.6 |
| Non-interest-bearing | | |
| Trade payables | 0.7 | 0.2 |
| Liabilities to Group companies | 0.4 | 0.2 |
| Other current liabilities | 0.1 | 0.0 |
| Accrued expenses and deferred income | 0.6 | 0.3 |
| Total | 42.8 | 54.6 |
| TOTAL LIABILITIES AND EQUITY | 111.9 | 114.1 |

PARENT COMPANY CASH FLOW STATEMENT (FAS)

| EUR million | For the year ended December 31, | |
|--|---------------------------------|--------------|
| | 2018 | 2017 |
| Profit for the financial year | 14.4 | 10.9 |
| Adjustments: | | |
| Financial income and expenses | -2.4 | -1.7 |
| Group contributions received | -16.5 | -14.5 |
| Depreciation and amortization | 0.0 | 0.0 |
| Direct taxes | 3.6 | 2.7 |
| Change in net working capital: | | |
| Change in trade and other receivables | -0.2 | 0.0 |
| Change in trade and other payables | 1.0 | -0.7 |
| Interests paid and payments on other operating expenses | -0.4 | -0.6 |
| Interests received | 4.1 | 0.0 |
| Taxes paid | -3.4 | -6.1 |
| Net cash from/in operating activities (A) | 0.1 | -10.0 |
| Payments for property, plant and equipment and intangible assets (-) | | |
| Investments in subsidiaries | -3.5 | -3.0 |
| Net cash from/in investing activities (B) | -3.5 | -3.1 |
| Repayments of bank loans | | |
| Net change of intra-Group receivables and payables | -8.2 | 17.9 |
| Dividends paid | -4.8 | -2.2 |
| Proceeds from share issues | - | 21.1 |
| Group contributions received | 14.5 | - |
| Net cash from/in financing activities (C) | -1.5 | 30.5 |
| Change in cash (A+B+C) | -4.9 | 17.4 |
| Cash at hand and in bank at the beginning of the financial year | | |
| Cash at hand and in bank at the end of the financial year | 17.4 | 0.0 |
| | 12.7 | 17.4 |

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 lower of their

nominal value and their probable value, whichever is lower. Liabilities are measured at their nominal value. Interest income and expenses relating to receivables and liabilities are recognized on accrual basis and accrued to the financial year on the basis of the time period.

LOANS AND INTEREST EXPENSES

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

DEFERRED TAX ASSETS

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

NOTES TO THE PARENT COMPANY'S FINANCIAL STATEMENTS

| EUR million | 2018 | 2017 |
|------------------------------------|------------|------------|
| Revenue | | |
| Services to Group companies | 3.3 | 3.0 |
| Total | 3.3 | 3.0 |
| Revenue | | |
| Geographical distribution | | |
| Domestic | 2.6 | 2.4 |
| Other Europe | 0.7 | 0.6 |
| Total | 3.3 | 3.0 |
| Personnel expenses and fees | | |
| Salaries and fees | 1.5 | 1.1 |
| Pension expenses | 0.3 | 0.2 |
| Other social security expenses | 0.0 | 0.0 |
| Total | 1.8 | 1.3 |
| Number of personnel | 9 | 8 |
| Other operating expenses | | |
| Voluntary personnel expenses | 0.1 | 0.3 |
| Travel expenses | 0.1 | 0.1 |
| Marketing expenses | 0.0 | 0.4 |
| Administrative services | 2.0 | 3.4 |
| Other administrative expenses | 0.1 | 0.1 |
| Other operating expenses | 0.1 | 0.1 |
| Total | 2.5 | 4.4 |
| Auditor's remuneration | | |
| Audit fee | 0.0 | 0.1 |
| Other services from main auditor | 0.4 | 0.5 |
| Total | 0.4 | 0.6 |

FINANCIAL STATEMENTS 2018

| EUR million | 2018 | 2017 |
|---|-------------|-------------|
| Appropriations | | |
| Group contribution received | 16.5 | 14.5 |
| Total | 16.5 | 14.5 |
| Non-current assets | | |
| Intangible rights | | |
| opening balance Jan 1 | 0.0 | 0.0 |
| amortizations during the financial year | 0.0 | 0.0 |
| closing balance Dec 31 | 0.0 | 0.0 |
| Other capitalized long term expenditures | | |
| opening balance Jan 1 | 0.0 | 0.0 |
| additions during the financial year | 0.0 | 0.0 |
| amortizations during the financial year | 0.0 | - |
| decreases during the financial year | 0.0 | - |
| transfers between item | 0.0 | 0.0 |
| closing balance Dec 31 | 0.0 | 0.0 |
| Investments | | |
| Investments in subsidiaries | | |
| opening balance Jan 1 | 29.2 | 26.2 |
| additions during the financial year | 3.6 | 3.0 |
| closing balance Dec 31 | 32.8 | 29.2 |
| Non-current receivables from Group companies | | |
| Non-current loan receivables from Group companies | 33.9 | 33.9 |
| Non-current interest receivables | 2.3 | - |
| Total | 36.2 | 33.9 |
| Current receivables from Group companies | | |
| Current loan receivables from Group companies | 28.1 | 28.2 |
| Interest receivables | 0.4 | 4.0 |
| Trade receivables | 1.2 | 1.0 |
| Total | 29.8 | 33.2 |

| EUR million | 2018 | 2017 |
|--|-------------|-------------|
| 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 % |
| 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 | 25.2 | 4.1 |
| Share issue | - | 21.1 |
| Cancellation of treasury shares | 0.1 | - |
| Invested non-restricted equity reserve on Dec 31 | 25.3 | 25.2 |
| Retained earnings on Jan 1 | 34.2 | 25.6 |
| Dividend distribution | -4.8 | -2.2 |
| Cancellation of treasury shares | -0.1 | - |
| Retained earnings on Dec 31 | 29.3 | 23.3 |
| Profit/loss for the financial year | 14.4 | 10.9 |
| Total equity | 69.1 | 59.5 |
| Distributable earnings Dec 31 | | |
| Retained earnings | 29.3 | 23.3 |
| Profit for the financial year | 14.4 | 10.9 |
| Invested non-restricted equity fund | 25.3 | 25.2 |
| Total | 69.0 | 59.5 |

FINANCIAL STATEMENTS 2018

| EUR million | 2018 | 2017 |
|--|-------------|-------------|
| Loans from financial institutions | | |
| Nordea Pankki Suomi Oyj | | |
| Instalments to be paid within one year | 3.0 | 3.0 |
| Instalments to be paid after one year | 19.5 | 22.5 |
| Total | 22.5 | 25.5 |
| Other liabilities | | |
| Current other liabilities | 0.1 | 0.0 |
| Total | 0.1 | 0.0 |
| Non-current loans to Group companies | | |
| Non-current loan liabilities to Group companies | 4.5 | 4.7 |
| Total | 4.5 | 4.7 |
| Current loans to Group companies | | |
| Current loans to Group companies | 13.9 | 23.6 |
| Accrued expenses and deferred income | 0.4 | 0.2 |
| Total | 14.4 | 23.9 |
| Accrued expenses and deferred income | | |
| Personnel expenses | 0.4 | 0.2 |
| Taxes | 0.1 | 0.0 |
| Other | 0.1 | 0.1 |
| Total | 0.6 | 0.3 |
| Derivatives | | |
| Interest rate swap, nominal value of underlying instrument | - | - |
| Interest rate swap, fair value | - | - |
| Total | - | - |
| Measurement at fair value through profit or loss | - | 0.1 |

| EUR million | 2018 | 2017 |
|---|------|------|
| Pledges and guarantees | | |
| Loans | 32.5 | 35.5 |
| Amount in use | 22.5 | 25.5 |
| Guarantees given on loans | | |
| General guarantee | | |
| Business mortgages | | |
| Total bearer bonds | 26.0 | 26.0 |
| Special guarantee | | |
| Business mortgages | | |
| Total bearer bonds | 26.0 | 26.0 |
| Pledged subsidiary shares | | |
| Total shares of Kamux Auto GmbH | | |
| Total shares of KMX Holding Ab | | |
| Total shares of Kamux Suomi Oy | | |
| Kamux Oyj has given non-restricted general guarantee on behalf of its subsidiaries in Finland, Sweden and Germany and pledged the shares of these subsidiaries. | | |

SIGNATURES FOR THE REPORT BY THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS

Hämeenlinna, March 1, 2019

Matti Virtanen
Chairman of the Board

Reija Laaksonen
Member of the Board

David Nuutinen
Member of the Board

Jokke Paananen
Member of the Board

Harri Sivula
Member of the Board

Vesa Uotila
Member of the Board

Juha Kalliokoski
CEO

The Auditor's Note

A report on the audit performed has been issued today.

Helsinki, March 1, 2019

PricewaterhouseCoopers Oy
Authorized Public Accountants

Janne Rajalahti
Authorized Public Accountant

AUDITOR'S REPORT (TRANSLATION OF THE FINNISH ORIGINAL)

To the Annual General Meeting of Kamux Oyj

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion

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

Our opinion is consistent with the additional report to the Board.

WHAT WE HAVE AUDITED

We have audited the financial statements of Kamux Oyj (business identity code 2442327-8) for the year ended 31 December 2018. The financial statements comprise:

- the consolidated balance sheet, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes, including a summary of significant accounting policies
- the parent company's balance sheet, income statement, statement of cash flows and notes.

Basis for Opinion

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

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

INDEPENDENCE

We are independent of the parent company and of the Group companies in accordance with the ethical requirements that are applicable in Finland and are

relevant to our audit, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

OUR AUDIT APPROACH

Overview



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 eco-

conomic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as set out in the table

below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial statements as a whole.

| | |
|--|---|
| Overall group materiality | € 2.6 million |
| How we determined it | Average of 5% of profit before taxes and 1% of the total revenues. Benchmarks were weighted 60% for profit before taxes and 40% for the total revenues when determining the overall group materiality. |
| Rationale for the materiality benchmark applied | The company is in a development phase and its strategy focuses on the increase of revenues. As the benchmark for the determination of the materiality, we chose the combination of revenue and adjusted profit before taxes. Based on our understanding the readers of the financial statements use these parameters when evaluating the performance of the group. As thresholds, we chose to use 1% of the revenues and 5% of the profit before taxes, which are within generally accepted thresholds according to auditing standards. |

HOW WE TAILORED OUR GROUP AUDIT SCOPE

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

Our audit procedures covered all the significant countries and locations of Kamux Group. The focus of our audit procedures has been on the most significant components in Finland and Sweden where we performed the full scope audit because of the magnitude and risk of the component in question. For the remaining components, we performed alternative procedures to ensure that there is no risk of material misstatement in the consolidated financial statements.

KEY AUDIT MATTERS

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

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

| Key audit matter in the audit of the group | How our audit addressed the key audit matter |
|--|---|
| <p>Valuation of inventory</p> <p>See note 3.1 in the financial statements</p> <p>The inventory (71 million) is valued to the lower of acquisition cost or net realisable value. The acquisition cost of individual cars included in the inventory, is determined based on the purchase price including directly attributable repair costs for reconditioning the car for selling purposes.</p> <p>For the financial statements, the company evaluates the cars included over 90 days in the inventory. The impairment recorded is the value of cars according to net realisable value.</p> <p>The valuation of inventory is considered a key audit matter because of the magnitude of the inventory and the management judgement included in the valuation.</p> | <p>Our audit procedures included understanding and evaluating the processes and controls for the valuation of inventory.</p> <p>As part of our audit procedures, we evaluated the appropriateness of the accounting policies applied by the company for the inventory valuation.</p> <p>We reviewed the management's detailed estimate for the need of adjustment for inventory valuation for financial statements. We evaluated the accuracy of recorded adjustment compared to company's accounting policy, sales occurred after the year-end and other identified circumstances.</p> <p>We tested the acquisition cost of the cars included in the inventory for year-end 2018 on a sample basis. We compared the inventory value for selected cars to purchase price for the car including directly attributable repair costs for reconditioning the car for selling purposes.</p> <p>We tested the net realisable value of the cars included in the inventory for year-end 2018 on a sample basis. We compared the inventory value for selected cars to sales price in 2019.</p> |
| <p>Accuracy of the repair liability provision</p> <p>See note 2.3 in the financial statements</p> <p>Estimated repair liability (EUR 2.2. million) is recognised as repair liability provision when a car is sold. The amount of repair liability provision is based on historical statistics about realised liability costs and the estimated trend of repair liability costs.</p> <p>Accuracy of the provision for repair costs is considered as a key audit matter because of the significant management judgement included in the accounting of the provision.</p> | <p>We evaluated the accuracy of the repair liability provision by comparing the estimate prepared by management to actual historical costs. We reconciled the recorded repair liability provision to calculation prepared by management.</p> <p>In addition, we inquired of the management, if there were any circumstances, which would require changes to estimated trend of repair liability costs.</p> <p>We also audited the payments made in 2019 to gain comfort that there are no significant costs occurred which should have been taken into consideration when calculating the provision.</p> |
| <p>Valuation of subsidiary shares</p> <p>See notes in the financial statements of the parent company.</p> <p>The valuation of subsidiary shares is a key audit matter due to significant carrying amounts involved and the management judgement involved.</p> <p>As of 31 December 2018, the value of Kamux Oyj's subsidiary shares amounted to EUR 32.8 million in the parent company's financial statements prepared in accordance with Finnish GAAP.</p> <p>The valuation of subsidiary shares is tested by impairment testing based on discounted cash flow model.</p> | <p>We assessed the appropriateness of the method and management's judgement and estimates in the calculation.</p> <p>We evaluated the process by which the future cash flows were drawn up, including comparing them to medium term strategic plans and forecasts approved by the Board and tested the key assumptions.</p> <p>We considered whether the sensitivity analysis performed by management around key drivers of the cash flow forecast was appropriate by considering the likelihood of the movements of these key assumptions.</p> <p>We compared the current year actual results included in the prior year impairment model to corroborate the reliability of management's estimates.</p> <p>We investigated by interviewing the management, that are there any such circumstances which would require adjustments to estimates for valuation of subsidiary shares made by management.</p> |

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.

AUDITOR'S REPORT

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR FOR THE FINANCIAL STATEMENTS

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

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence

that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the parent company or the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with 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 9 October 2015. Our appointment represents a total period of uninterrupted engagement of four 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 2019
PricewaterhouseCoopers Oy
Authorised Public Accountants

Janne Rajalahti
Authorised Public Accountant (KHT)



KAMUX CORPORATION

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